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C.A. PRESIDENTS CALL FOR REGIONAL MEETING

FL110414 Mexico City NOTIMEX in Spanish 2330 GMT 8 Mar 86

[Text] San Jose, 8 Mar (NOTIMEX) -- At least three different calls for a meeting of Central American presidents have been issued in the last few days, with two calls by Costa Rica for Nicaragua to be excluded and one by Guatemala for a meeting without exclusions. While Guatemala's Vice Minister of Foreign Relations Juan Francisco Villagran reiterated that Guatemalan President Vinicio Cerezo had called for a regional summit meeting without exclusions, Costa Rican Minister of Foreign Relations Carlos Jose Gutierrez reiterated his country's initiative, which excludes Nicaraguan President Daniel Ortega. Gutierrez explained that, socially, at least two conferences of Central American presidents have been called for, but no precise dates have been specified. He said that the meeting proposed by the Guatemalan Government is to debate political matters, with the participation of the presidents of Costa Rica, Luis Alberto Monge; Nicaragua, Daniel Ortega; El Salvador, Jose Napoleon Duarte; Honduras, Jose Azcona; and Guatemalan host Vinicio Cerezo.

He stressed the fact that Monge had sent another invitation that excludes Nicaragua and includes only the presidents of Honduras, El Salvador, and Guatemala. Monge's invitation calls for work to begin on restructuring the Central American common market, with Nicaragua excluded from participating. Referring to the initiatives by Monge and Cerezo, Foreign Relations Minister Gutierrez said: They are distinct, separate proposals and cannot be confused because they have different objectives, characteristics, and antecedents.

At the same time, the Guatemalan vice foreign minister reported that one of the countries in the area had objected to Nicaraguan participation in the meeting proposed by Cerezo, which would be held in the city of Esquipulas. He said that next Tuesday Guatemalan Vice President Roberto Carpio Nicolle will vist the capitals of Honduras, Nicaragua, and Costa Rica to reiterate the invitation to attend the Esquipulas meeting.

IAPA ISSUES DECLARATION AFTER BRAZIL CONFERENCE

PY080140 Madrid EFE in Spanish 2122 GMT 6 Mar 86

[Text] Salvador, Brazil, 6 Mar (EFE) -- The expansion of democracy in the Americas has resulted in a much freer press in the hemisphere, but there are still some constitutional governments that exert pressure on the media. This is the main conclusion of the annual IAPA conference that has been meeting here from 3 March until today. In its conference in Salvador, the IAPA evaluated freedom of the press in the continent. The meeting was attended by 300 delegates, owners, directors, and editors of the main newspapers of the region.

The final IAPA declaration states that with the end of the dictatorship of Jean-Claude Duvalier in Haiti, there are only four totalitarian governments left in Latin America: Cuba and Nicaragua, which are leftist; and Chile and Paraguay, which are rightist. The IAPA has decided to send an investigating commission to Haiti as soon as possible and urged the new Haitian Government to guarantee freedom of the press. It also expressed concern over the attack against the house of journalists Sergio and Sandra Beaulieu, who are correspondents of several international news agencies in Port-au-Prince. One man was killed and two others injured in the attack. But the IAPA recognized that because of the confusion surrounding the case an investigation must be carried out.

During the negotiations, the return of democracy to Latin American countries was noted in the reports of the commission on freedom of the press. The report notes that there are still important restrictions and threats to freedom of thought, expression, and the press in some democracies but it adds that the direct control that is exercised against these rights can be seen only in Cuba, Nicaragua, Chile, Paraguay, Guyana, and Suriname.

The final declaration notes that two positive events have marked Latin American political life in the last few months: the end of the Duvalier dictatorship in Haiti and the consequent opening of newspapers LE MATIN and LE NOUVELLISTE, which had been closed down, and the closure of the government newspaper LE NOUVEAU MONDE. It adds that novelty in the Haitian press was its criticism of the old Duvalier regime and its tolerance of the new government.

Another positive event noted by IAPA is the decision of the Inter-American Human Rights Court, which states that to demand the registration of journalists in professional associations is a violation to Article No 13 of the Inter-American Human Rights Convention, which refers to the freedom of thought and speech. The court issued a ruling at the request of the Costa Rican Government, which specifically refers to the Costa Rican professional journalists association. However, in addition to Costa Rica, other nations have their own laws regarding the registration of journalists in professional associations to allow them to work. These include Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Panama, Peru, and Venezuela.

The declaration also notes that IAPA will question the Inter-American Human Rights Court ruling on the right to rebuttal. IAPA qualified as a threat the Mexican Government's decision to expropriate the Satellite Broadcasting and Reception System, which was owned by private newspapers, saying that this decision restricts even further the use of satellite technology by the Mexican media.

It adds that newspapers of the Americas are also confronting another threat, the control of advertising. Reports note that for example in the Dominican Republic, 60 or 70 percent of advertisements are from the public sector. It notes that frequently government advertising is used to punish newspapers, not only in the Dominican Republic but also in Ecuador and El Salvador.

Another problem is that of newsprint, because some governments have increased prices, as in Mexico, where authorities have assumed complete control of newsprint distribution through the official news agency, Paper Importer and Producer, Inc.

The final report notes that one of the Latin American newspapers that suffer most from these problems is Managua's LA PRENSA newspaper. It charges that its editorial pages are frequently censored, adding that 10 editions did not circulate in 1985 and that its size has been reduced in keeping with a Sandinist government decision. The present LA PRENSA newspaper editors informed the IAPA assembly that Nicaraguan President Daniel Ortega has implemented salary increases for government newspaper workers and a freeze on prices of its newspaper editions to create economic problems for opposition newspapers. Moreover, IAPA decided to request the Nicaraguan Government to lift censorship and authorize the free operation of the Catholic radio and allow the reopening of the newspaper IGLESIA.

Regarding Cuba, IAPA categorically repudiates the lack of an independent press for the past 26 years. IAPA condemns the government of Fidel Castro for censoring the press and demands the release of journalists Luis Rodriguez Rodriguez and Guillermo Rivas Porta, one of whom has been under arrest in Cuba for 25 years.

The IAPA notes that, as in Nicaragua and Cuba, there is no freedom of the press in Paraguay and Chile. The IAPA declaration states that in Asuncion the newspaper ABC COLOR is still closed and that its editor Aldo Zucólillo is being constantly harassed by the government of President Alfredo Stroessner. IAPA will also demand the reopening of newspaper ABC COLOR, an end the threats against the media in general, particularly against Radio Nanduti, and requests the newspapers of the Americas to include editorials in their editions of 22 March in defense of the freedom of speech of the Paraguayan people.

The declaration adds that in Chile some journalists have been jailed and that restrictive laws that impede the circulation of new publications without the previous authorization of government authorities are still in force. The IAPA board decided to recommend that its president reiterate to the Chilean Government the concern of the press of the Americas over the announcement that new restrictive laws against the activity of the press will be issued and over the prevalence of those laws demanding previous authorization for new publication, which has impeded publication of the newspaper LA EPOCA. It also protests the arrest of journalists while exercising their duties.

Moreover, it adds that in Panama the press is still being pressured by the government. In keeping with a request submitted by Mexico, the declaration particularly notes the "suspicious" death at the beginning of 1986 of newspaper editor and writer Carlos Loret de Mola, who died in a mysterious car accident.

The IAPA urges all governments in those countries where measures restricting press activities are enforced to repeal them in defense of the principles of freedom of thought and speech, both of which are included in the human rights convention.

SOURROUILLE ON GROUP OF 24'S CONCLUSIONS

PY072222 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0115 GMT 7 Mar 86

[Text] Buenos Aires, 6 Mar (NA) -- Finance Minister Juan Sourrouille tonight said that the Group of 24 "is not a club of debtors engaged in strengthening its capacity for joint negotiations, but a forum where some ideas are debated that might help create new mechanisms in international financial relations." Sourrouille tonight held a press conference at the end of the meeting of the 24, during which President Raul Alfonsin spoke. The meeting was held at the General San Martin Cultural Center.

"No, I frankly do not think so," Sourrouille answered when asked about the possibility that the 24 might act as a debtor's club, asserting that this idea is rejected by the governments although it is favored by other circles. Sourrouille reported the conclusions of the meeting and gave in advance some aspects of the final document to be released by the ministers.

The minister pointed out that this was the first meeting of the group to be held independently of the assemblies or mid-year meetings of the International Bank for Reconstruction and Development [IBRD] and the IMF. He said this meeting had been held after an Argentine invitation to discuss the foreign debt of the developing countries, the transfer of funds to those countries, and the improvement of the international monetary system.

Sourrouille added that there are two trends: one supported by the "10" (highly developed countries), and the other supported by the 24 (developing countries). The theory of the "10" is that growth can be achieved within a framework of relative stability under the current circumstances, while the 24 deem the situation to be unpredictable and chaotic.

Both theories, which were presented and discussed in Seoul in October 1985, were incorporated into next April's agenda with emphasis placed on the fact that the fundamental disagreement deals with the foreign debt and the transfer of capital. Sourrouille said that the document prepared at the meeting diagnoses the situation, includes some proposals, comments on the Baker Plan, defines the role of the IMF, and weighs the performance of the IBRD.

The foreign debt has a negative influence on the balance of payments, and the main difficulties for the developing countries are high international interest rates, decreases in the price of raw material, and protectionism by the highly developed countries. Sourrouille remarked that the document says that there is an "uneven" adjustment which gives rise to a larger transfer of funds from the developing countries to the developed countries, and that it presents the idea of a "positive adjustment."

He said that development should be shared by all countries of the world, and that in dealing with the debt the responsibilities of debtors and creditors should be established through direct talks, because the free financial market does not offer solutions.

The document suggests the idea of establishing different interest rates for previously existing debts and debts to be contracted in the future. Sourrouille added that the decrease in international prices has manifestly worsened the situation in the developing countries.

Group Issues Document

PY112125 Buenos Aires DYN in Spanish 1755 GMT 7 Mar 86

[Quotation marks as received]

[Text] Buenos Aires, 7 Mar (DYN) -- In its final document the Group of 24's intergovernmental provisional committee for reform of the international monetary system states that the approach that is being used to discuss the foreign debt issue "is based on an erroneous diagnosis that has failed in its efforts to seek a stable and lasting solution to the problem."

At the end of the meeting that was held from 4 to 6 March at the General San Martin Cultural Center [in Buenos Aires], the ministers "noted that an approach based on the implementation of a short-term adjustment policy is not compatible with the achievement of an economic balance in the long run and that it does not take sufficiently into account the structural problems that developing countries are confronting."

The extensive 11-page document notes that "an atmosphere of permanent uncertainty has been created because the entire renegotiation of the foreign debt is being conducted from an accounting perspective, and because short-term solutions have resulted in the neglect of efforts aimed at seeking a solution to the problem in the long-term." The ministers noted that "this uncertainty has had a negative effect on economic, social and political chances of developing countries."

The document, the general guidelines of which were disclosed yesterday by Argentine Economy Minister Juan Sourrouille during a press conference, was issued this morning by the Finance Ministry Press Office. The document adds that "The ministers noted that in spite of the process to restructure the foreign debt, developing countries continue to face serious problems in obtaining resources because of the demands imposed by the servicing of the debt." In this regard they noted that "therefore, there will be a limit on fund transfers for development programs aimed at achieving a relative growth."

The first point of the final document states that "the payments on the servicing of the foreign debt should not represent an excessive proportion of the income derived from exports since this would seriously affect the standard of living of the most vulnerable groups and could even threaten the social and political stability of each individual country."

The ministers "point out that because of the deterioration in trade relations the traditional economic adjustment programs have made debtor countries adapt to a new situation of relative prices in international markets that are incompatible with the goal of achieving an economic balance in the long run." They add that the highly unstable nature of international markets may even render the best adjustment measures insufficient.

They believe that "the traditional conditionality and that which is demanded to achieve structural changes must be consistent with the political and economic objectives and the prevailing conditions of each country." They add that "the conditionality imposed by the IMF must take into account the requirements to achieve a growth in production and employment and it must respect the capacity of the different countries to implement and carry out its economic adjustment plans."

The ministers who were representing their repective countries noted that "several studies, including those conducted by the IMF itself, have noted that developing countries have implemented severe economic adjustment measures, but that nevertheless the adjustment process continues to be irregular and inequitable because industrial countries are not making parallel efforts to adopt and implement in a coordinate manner proper economic policies aimed at eliminating trade restrictions and export subsidies, or to decrease those fiscal differences that cause high real interest rates."

After noting that "the index of the prices of primary products has sunk to the lowest levels since the World Bank began to make these estimates," the document expresses the concern of the Group of 24 for "the continuous decrease in the real and nominal price of oil."

The text states that "the solution to the foreign debt problem requires flexible regulations." In the document the ministers express their "concern over the fact that central bank authorities from industrial countries have recently introduced regulatory measures that decrease the flexibility that is needed to seek solutions to the foreign debt problem."

In reference to the Baker Plan, the document states that the ministers of the Group of 24 found that it contains "some positive elements," such as the fact that there can be no "lasting solution to the problem of the foreign debt unless economic growth is achieved." It also notes "the high level of interdependence in the international economy." However the ministers also felt that the Baker Plan "should be adapted to the needs of each country, even to the extent of providing resources necessary to halt the fall in the price of oil products and raw materials, as well as the real resources that are necessary to achieve economic growth." They reasserted that the IMF "must seriously consider making available resources to deal with balance of payments problems in the medium term, and to promote the use of the IMF's extended facilities."

The document adds that "there is an urgent need to create within the IMF a new financial service with additional resources (or to expand the compensatory financial service) to ease the burden of the servicing of the foreign debt, which is caused by an increase in real interest rates which surpass previous normal levels."

Regarding transfer of resources, the document notes the "concern" of the ministers "because the official assistance for development (AOD) tends to decrease while low-income countries are trying to overcome the problem of poverty and achieve development. The noted the need to considerably increase fund transfers under concessionary terms to these countries." The document notes that the main objective of the IBRD "is to promote development and to eradicate poverty in keeping with its charter."

The ministers also expressed their "concern for the excessive emphasis that is granted within the macroeconomic policy of creditor countries to new financial services for rapid disbursements." In this regard the ministers "warned about the further conditioning of the IBRD's volume of assistance or its conditioning to the IMF."

Finally the document states that the ministers noted that the role that the IBRD must play in the distribution of resources must be based on an annual loans growth rate not lower than 6.2 percent in real terms. This will make it possible to maintain the net transfer of resourse from deptor to creditor countries at reasonable levels." The document adds: "It is within this context that the ministers urged that the minimum level of loans be $21.5 billion by the fiscal year 1990 so that the IBRD may adequately play its role as a development institution."

CONGRESS REFUSES TO BACK GOVERNMENT DEBT POLICY

PY071957 Buenos Aires BUENOS AIRES HERALD in English 7 Mar 86 p 1

[Text] (NA) -- A bid by the government for full congressional backing of its foreign debt negotiations stalled last night when the Justicialist opposition in the Chamber of Deputies called for a suspension of debt payments, a move which in turn was rejected by the Radicals in a night of bitter debate. Both the Radical motion backing the executive's negotiations on the foreign debt and the Peronist move required two thirds of the chamber vote to enable a formal debade on the issue. But neither side would back the other's resolution.

Earlier last night, Democratic Civic Union deputy Alvaro Alsogaray charged that the rights of legislators "to settle the internal and external debt," granted under Article 67 of the Constitution, had been violated "because up to now parliament has not intervened on the debt issue -- it has done nothing." Alsogaray said the Radical move for full backing in Congress was out of place because "it makes no sense for the chamber to await the success or failure of negotiations, it must take part at some stage in those negotiations because the executive has taken upon itself to carry them out alone and has ignored Congress." Alsogaray's protest won support from the entire opposition.

Intransigent Oscar Alende said the word settle as used in the Constitution meant to "put in order, to take action, and this is what parliament has not done on the foreign debt issue." The Peronist proposal put forth by deputies Jose Manzano and Diego Guelar was to suspend payments for a period of 180 days and to have the government's letter of intent to the IMF sent to Congress for discussion.

CGT CALLS 12-HOUR GENERAL STRIKE FOR 25 MARCH

PY081805 Buenos Aires BUENOS AIRES HERALD in English 8 Mar 86 p 1

[Text] Corrientes (NA-DYN) -- At a stormy conference, the General Confederation of Labour (CGT) announced a 12-hour general strike on March 25 and warned it would hold another, 36-hour stoppage if the government does not meets its demands. A mass demonstration will be held on the first strike day on 9 de Julio Avenue downtown, and not in front of the Labour Ministry as was expected, plus demonstrations in other major cities. The tentative dates for the second, threatened strike are April 18 and 19.

The CGT coupled the strike call with one of its most scathing attacks on the government yet, saying the government seeks the "absolute subordination (of the unions) to its plans." Talking about Economy Minister Juan Sourrouille, and President Raul Alfonsin, and Labour Minister Hugo Barrionuevo -- without mentioning any of them by name -- the CGT said "the economic bureaucrat blew to pieces the politician's promises and left the social area's negotiators looking ridiculous." In the statement, the CGT repeated its demands for immediate wage increases, collective wage bargaining talks, and an "energetic play to generate jobs."

Despite the CGT's show of teeth, sources said that divisions ran deep between the national directive council and union bosses from the interior over how far to take strike action. Regional leaders support an immediate 36-hour strike while the Buenos Aires-based directive council supports the 12-hour stoppage. Differences came to a head at a tumultuous meeting between Ubaldini and interior leaders, lead by Cordoba CGT secretary general Miguel Correa, at Ubaldini's room at the Guarani Hotel.

Correa and his allies reportedly threatened to walk out of the conference and roughed up men tied to Ubaldini, insisting that calling only a 12-hour strike was tantamount to accepting the "truce" called by Barrionuevo. Correa said earlier that if anything short of a 36-hour strike were stage, "we will pass into history as a bunch of wimps."

The dual strike announcement was seen as a compromise between the two factions engineered by Ubaldini, though his allies in the directive council were not pleased with the arrangement. One of them told DIARIOS Y NOTICIAS that Ubaldini gave in to provincial labour leaders "of doubtful representativity." Corrientes Governor Jose Romero Feris was later booed and hissed when he told delegates in a speech that "we must not be tempted by those who believe that democracy is defended by antidemocratic proposals" and reminded them that the government was "popularly elected in 1983 and ratified in 1985 by a broad majority of the people of Corrientes." Ubaldini later said that the strike might be lifted if the government meets CGT wage demands, but chances of that looked near nil as Sourrouille told the Argentine Industrial Union that there will be no wage increases because "the Austral Plan is immovable."

Troccoli Responds

PY101704 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0011 GMT 10 Mar 86

[Text] Tres Arroyos, 9 Mar (DYN) -- In the first official response to the General Confederation of Labor [CGT] - sponsored stoppage, Interior Minister Antonio Troccoli warned here today that the government "will remain calm." He summarized the mission of the national authorities by noting the need to act "objectively" to prevent salary claims from becoming "confrontation points."

Troccoli, who presided over the 17th Buenos Aires Wheat Festival closing ceremony in Tres Arroyos, Buenos Aires Province, admitted that the claims advocated by the CGT "were made for legitimate interests," but he also said that those interests "are ultimately sectorial."

"Argentina is not in a position to use outdated methods, and it needs everyone's imagination, effort, and solidarity," the minister stated during a long talk with local journalists. Asked about the government's stand on the attitude just adopted by the CGT, the interior minister warned that "the government will not lose its calmness nor the position it must occupy because the government, which is in the spotlight, has the power to make decisions, and, therefore, must maintain a necessary objectivity." In addition, the interior minister insisted that the executive branch "is willing to maintain the purchasing power of wages."

He then stated that "we must be very careful that these confrontations championing legitimate but ultimately sectorial interests, do not wind up creating disagreements and renewed confrontation." In this regard, Troccoli recalled that in the past "we have witnessed how the heavy atmosphere generated by struggle and confrontation wind up debilitating the institutional system and creating forces for the anti-institutional system to operate much more strongly."

Troccoli then emphasized that "the government calls upon all sectors to reflect, lower the decibel level, and understand that the crisis is not new. We all knew this crisis was coming because when the constitutional government was installed we were aware of the diagnosis revealing the strength and the extent of this crisis."

Therefore, we must overcome this transition period, which is very difficult, but which will ultimately permit us to achieve a better future to the extent that through solidarity, understanding and tolerance, all Argentines are able to remove the inside and outside factors generating the present difficulties. Elsewhere in his statements, the minister recalled that the government "has repeatedly called for talks." He stated that he expects the "tolerance" of all the sectors involved in socioeconomic activities to favor an end of "a confrontational policy, which is harmful and does not favor all the workers' interests." Asked about the statements UCR Deputy Cesar Jaroslavsky recently made that the government ought to try "to gain the sympathy of public opinion," Troccoli, after a brief pause, responded that "we will continue being cautious," adding that "we will continue treading the chosen road and the program of repair and national reconstruction."

In this regard, the interior minister tended to believe that the government will have to implement "a teaching policy" with the goal of neutralizing the effect of "distortions reaching the people, confusing them, and ultimately making them believe that with slogans or forceful attitudes problems may be overcome."

On the other hand, Troccoli denied that "the government will start negotiations with the CGT this week," seeking to halt the CGT-sponsored stoppage, and again praised the performance of the national authorities. [Words indistinct] and explained the trade union leaders that we are drawing up in detail an all-inclusive proposal and a socioeconomic policy," he explained. Asked whether the economic policy is to blame for the CGT decision made during the plenum in Corrientes, Troccoli ruled out such a possibility. "We did not cause this severance. On the contrary, these forceful actions are a setback in the institutional relationship we must keep." Troccoli added. The interior minister rejected any type of "demand which, ultimately, cannot be accepted." Concerning these demands, he stated that they do not conform "to the appropriate way of maintaining the seriousness of our relationship."

Concerning recent reports on contacts between the government and the CGT to halt the stoppage, Troccoli flatly denied them, and his denial was especially aimed at a report stating that he held telephone conversations with Delfor Gimenez, a leader of the 62 Organizations. Referring to the salary situation concerning the [word indistinct] claim, the minister stated that "the government is willing to maintain the purchasing power of salaries, preventing them from being harmed and keeping real salaries from deteriorating. Therefore, the salary policy must be hinged on this official presupposition, and this is the starting point for drawing up a noninflationary policy."

Troccoli emphasized that "we believe we are all actually interested in wage readjustments or modifications in nominal wages as long as they are matched with price stability." After terming the relationship between the government and the political parties "good", Troccoli stated that investigations will be stepped up concerning an attack against the offices of the Catholic University of La Plata in Buenos Aires. He denied that he held meetings with Catholic University of La Plata Rector Nicolas Argentato. In this regard, Troccoli warned that "the origin of these actions is extreme positions." He emphasized that "they are not the style or the conduct of those who are included in the democratic political spectrum of the country." "We have made an attempt to prevent many of these actions. We have eliminated and broken up many groups but there are always some remnants," Troccoli concluded.

FOREIGN MINISTER RETURNS FROM ARGENTINA

PY072315 La Paz Cadena Panamericana in Spanish 1700 GMT 7 Mar 86

[Excerpts] A medium-term program in the energy field featuring convenient prices for Argentina and Bolivia has been drawn up by the delegations of these two countries at a recent meeting in Buenos Aires. This was reported today by Foreign Minister Guillermo Bedregal, who, together with Energy Minister Carlos Morales, presided over the Bolivian delegation that traveled to the Argentine capital to negotiate several aspects linked with the sale of Bolivian gas to Argentina. Shortly before noon today Minister Bedregal visited President Victor Paz to inform him of the results of the negotiations with the Argentine Government.

[Begin Bedregal recording] We were very well received by President Alfonsin, Minister Caputo, and all the Economy Ministry officials involved in trade with Bolivia. We discussed several aspects of border exchange and the need to implement new complementary economic systems within the Andean region. [end recording]

Bolivia has presented a definite proposal on the price of its gas.

[Begin recording] We proposed an interesting thesis, namely the historical analysis of gas prices. With the aid of computers we concluded that Bolivia has subsidized Argentina by more than $550 million over past years. This is a factor that must be considered in the long term, because the long term must not be regarded only in terms of the future but also of past experiences. [end recording]

However, Minister Bedregal did not reveal whether the current prices and amounts of gas sales will be maintained.

[Begin recording] I still cannot say anything definite, because the permanent economic commission headed by the Foreign Ministry economic affairs under secretary is meeting in Buenos Aires. I believe that in the next few days we will be able to announce something officially. [end recording]

FLOODS CAUSE LOSSES TOTALING $60 MILLION

PY080111 Madrid EFE in Spanish 1552 GMT 7 Mar 86

[Excerpt] La Paz, 7 Mar (EFE) -- According to preliminary estimates by the Defense Ministry, the floods currently affecting Bolivia have caused losses totaling $60 million. The damage can not yet be fully determined, because there is no access to some zones. Several towns have become isolated by landslides and flooded rivers.

It is estimated that so far more than 5,000 hectares of cultivated land have been lost in La Paz, Santa Cruz, Cochabamba, and Beni Departments. There are more than 160,000 victims, and more than 3,000 homes have been destroyed.

MODIFICATION TO ECONOMIC DECREE-LAW ANNOUNCED

PY111633 Rio de Janeiro O GLOBO in Portuguese 4 Mar 86

[Text] Decree No 92,433, dated 3 March 1986, makes provisions for the implementation of the measures provided for under Articles 37 and 38 of Decree-Law No 2,283 of 27 February 1986.

"The president of the republic, exercising the powers bestowed on him by Article 81, items I and V of the Constitution, and taking into account Article 41 of Decree-Law No 2,283 of 27 February 1986 and the provisions made under Supplementary Law No 4 of 26 September 1986, and Law No 1,521 of 26 December 1951 and its amendments.

Decrees:

Article 1. The justice minister and the finance minister, within their own jurisdictions and in connection with the organizations or agencies subordinated or related to their portfolios, are appointed executors of the measures provided for under Article 37 and 38 of Decree-Law No 2,283 of 27 February 1986.

Article 2. The surveillance of the stability of all the prices established in Article 36 of Decree-Law No 2,283 of 27 February 1986 will be exercised by the Special Secretariat for Supply and Prices -- SEAP, the Interministerial Price Council -- CIP, the National Superintendency of Supplies -- SUNAB, the Council for the Defense of Consumers, and by the Federal Police Department, these being agencies reporting to the Justice Ministry.

Paragraph. The organizations mentioned in this article will coordinate, as required, with the other organizations of the federal administration in order to exercise the surveillance within their jurisdiction.

Article 3. SUNAB, an organization reporting to the Finance Ministry, will be charged with controlling the fulfillment of regulations concerning the price freeze and hoarding practices.

Paragraph 1. In order to implement the provisions of this article, SUNAB may use, by agreement, state, federal district, and municipal officials.

Paragraph 2. The Federal Revenue Secretariat will supply the necessary cooperation to SUNAB for the fulfillment of the provisions made concerning price supervision.

Article 4. The Federal Police Department will support SUNAB in the exercise of its supervisory activities, including the adoption of the repressive measures that are deemed necessary, notwithstanding their specific powers.

Paragraph. The Federal Police Department may coordinate with the Public Security Secretariats and with the state and federal district police precincts for their participation in the implementation of the provisions of this article.

Article 5. The Justice Ministry, along with the Office of the Attorney General, will coordinate with the state courts, seeking to expedite the repression of crimes against the popular economy that fall within the juridiction of common courts.

Article 6. The cases of abuse of economic power investigated by SUNAB while exercising its supervisory activities must be officially submitted to the Administrative Council for Economic Defense -- CADE -- to start the prosecution, notwithstanding other applicable administrative and penal proceedings.

Article 7. The noncompliance with the provisions made under Decree-Law No 2,283 of 27 February 1986 will make the violator forfeit whatever fiscal or other type of incentives granted by the Federal Government, and will prevent the violator from gaining access to any type of credits granted by centralized or decentralized federal administration organizations, or agencies, or by their agents.

Article 8. The punitive measures enforced for the noncompliance with Decree-Law No 2,283 of 27 February 1986 must be broadly disseminated among the public, seeking an effective defense of the public interests.

Article 9. This decree becomes effective on the date of its publication.

Article 10. Any provisions contrary to this decree are hereby abrogated.

Brasilia, 4 March 1986; 165th year of independence and 98th year of the establishment of the republic.

BRIZOLA CRITICIZES GOVERNMENT ECONOMIC PLAN

PY110114 Rio de Janeiro O GLOBO in Portuguese 7 Mar 86 p 3

[Text] The governmental economic package was the focal point of a statement Governor Leonel Brizola made last night. The statement encompassed most of the 60-minute PDT [Democratic Worker's Party] program broadcast over a domestic radio and television network. Deputy Governor Darcy Ribeiro and Mayor Saturnino Braga also spoke. Brizola said that the PDT admits all the good and positive features that the package has for the Brazilian people, emphasizing, however, that, as an opposition party, the PDT will not stop denouncing the harmful features of the federal government program.

The Rio de Janeiro governor stated that the PDT wholeheartedly supports the price freeze, "since no measure to combat inflation could be implemented without the freeze." The PDT also supports unemployment insurance, Brizola said, although the PDT regards this initiative as limited and restricted. Brizola also praised the benefits granted to mortgage holders and people who are paying rent.

Brizola feels that the economic package provides for an "indecent confiscation" of the salaries of all workers. Showing a graph to the television viewers, Brizola noted that the market prices were fixed at their maximum values, "to the workers' detriment."

Brizola commented that "this is scandalous. Don't tell us that we are creating difficulties for the economic package, and the fight against inflation. We are trying to clarify things because, no doubt, the government is drawing from those who cannot pay. Dr Tancredo Neves would never have taken economic measures, demanding from the worker what he could not provide. In Brasilia, presidential spokesman Fernando Cesar Mesquita yesterday stated that the president would not attend the PDT program broadcast because he had previous commitments.

PAPER DISCUSSES PROGRESS ON ATOMIC BOMB PROJECT

PY050150 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Mar 86 p 2

[Editorial: "Continent Without the Bomb"]

[Text] The hypothesis that Brazil may soon be in the technological position to build an atomic bomb is reinforced by some recent reports that the country will have the capacity to build nuclear missiles by 1991.

The consensus today is that the manufacture of the Brazilian atomic bomb, as it is called, has become a political rather than a scientific question. Statements in that regard have been made by the Armed Forces chief of staff, Admiral Jose Maria do Amaral Oliveria, and his predecessor, Lieutenant Brigadier Waldyr Vasconcelos. The manufacture of the bomb has been constantly discussed at the National Security Council (CNS), according to reports by Brigadier Hugo de Oliveira Piva, director of the Aeronautics Technical Center (CTA). Reports that a parallel nuclear program is secretly being developed in the CTA are frequently heard.

Progress has been possible in the areas of technology and personnel specialization thanks to the strictly civilian nuclear program carried out in cooperation with the FRG and by the secret research program. This, sooner or later, will bring the knowhow needed to manufacture the nuclear components for building the bomb, such as enriched uranium and plutonium, the lack of which is currently a major obstacle to the construction of the Brazilian atomic bomb.

The hypothesis that Brazil has chosen to join the nuclear club presupposes the need to master basic technology for the production of a transportation vehicle for the atomic bomb; that is, a missile. In such an endeavor, Brazil could even do without the transfer of Chinese technology, because it has the rocket technology to place four Brazilian-made satellites in orbit in approximately 2 years. With minor modifications, the same rockets could carry a nuclear device, thus filing one of the last requirements for a Brazilian atomic missile.

It can be seen that the moment is fast approaching when, having mastered the necessary technical knowhow, Brazil will have to make the momentous decision. Brazil will then have to decide whether to maintain its peaceful image or join the atomic weapons club, with all the international consequences -- even that of becoming a potential target of the bomb -- especially in this continent. No doubt, if the latter choice is made, a nuclear race will be under way in this impoverished and indebted Latin America. A fundamental step to preventing the nuclear race in the continent would be given if Brazil publicly renounces the building of an atomic bomb once the technology has been mastered. Another step would be to seek an agreement on mutual inspection with all the other Latin American countries that are developing a nuclear program.

A true peace pact will thus be secured, as has already been proposed by President Raul Alfonsin. It is in the interest of the countries in this continent, especially of Brazil and Argentina, not to get sidetracked by strategic considerations that have no place in the scale of economic and social priorities. Such an agreement would at least be a concrete act of protest against the fatal logic of an arms race in the eyes of the world.

CARABINEROS BREAK UP WOMEN'S DEMONSTRATION

PY080235 Paris AFP in Spanish 0137 GMT 8 Mar 86

[Text] Santiago, 7 Mar (AFP) -- Police sources have reported that approximately 50 people were arrested and 10 were injured during violent clashes tonight among opponents of the Chilean military regime and the police in Santiago's downtown Forestal Park. The clashes started in the park and ended only 50 meters away from La Moneda Palace. The clashes began when Carabineros agents sought to break up a demonstration of some 100 women, staged by women's organizations opposed to the military regime, to commemorate the international day of the woman on 8 March.

Police units and heavily armed military troops were deployed throughout the park and at the downtown Plaza Italia, where the demonstrators erected barricades with sticks and pieces of concrete and blocked off car traffic. Using truncheons, water cannons, tear gas launchers, and tear gas bombs the agents clashed with the dissidents who scattered throughout down town Santiago. Some people were arrested, including leaders Soledad Larrain and Luz Maria Navarro, both professional women.

Some groups went as far as Paseo Ahumada and La Alameda, Santiago's main avenue, where they blocked off traffic for a few minutes. Other demonstrators, shouting slogans against General Augusto Pinochet's administration, managed to get within 50 meters of La Moneda Palace whereupon they were scattered by tear gas while shouting: bread, work, justice, and freedom. The situation along Santiago streets returned to normal around 2130 local time (0300 GMT) under heavy patrolling.

In the predawn hours on 7 March a young girl was shot to death in Santiago when a military patrol shot at the car in which she was riding, the police reported. The driver of the car did not obey the order to halt, and he will be tried by the judge advocate. The military patrol intercepted the car in the neighborhood of Conchali, and one of the shots fatally wounded Maria Cristian Gutierrez, 17. Tonight the Interior Ministry reminded citizens that there is a curfew in the metropolitan area and vehicle traffic is forbidden between 0200 and 0500 local time, except Friday and Saturday nights and the eve of holidays. Meanwhile three people were arrested in Valparaiso, 140 km north of Santiago, while participating in an opposition meeting.

Rallies Planned 20 March

PY111508 Santiago Radio Chilena in Spanish 1730 GMT 10 Mar 86

[Text] During a press conference, the organization Women for Life announced that a new demonstration organized by women's organizations, this time called Right to Democracy, has been planned for Thursday 20 March. At the conference the leaders of Women for Life made a wrapup of the demonstrations carried out last Friday celebrating International Women's Day. Graciela Borquez, [leader of the movement] stated that despite the huge deployment of military and police forces, the demonstration was a success:

[Begin recording] Although they were not allowed to gather at the previously established places, they reorganized themselves in columns and went to the place where we had decided to meet. There we were violently repressed, and it really shocked everyone the way the [the demonstrators] were beaten. And then there were tear gas bombs, which are not exactly tear gas but toxic gases. [end recording].

For their part, Maria Antonieta Saa and Maria Asuncion Bustos asserted that the participants shared a united, peaceful, and cheerful mood, and added that the action of agitator groups was rejected by the demonstrators. During the press conference the Women for L fe organization announced that on 20 March, another day of demonstrations for the Right to Democracy will be staged. During this demonstration, they said, we propose that all Chileans concentrate their attention on the exercise of various rights which Maria Antonieta Saa named:

[Begin recording] The right to vote: we call for voting in public and private places, to organize elections in which everyone can chose between dictatorship and democracy; the right to hold meetings: We will meet in public and private places, hold meetings to discuss the common problems of the section of town where in which we live, of the factory of the office, of the college or the school. [end recording]

They also mentioned the right to express the uneasiness caused by the permanence in office of the current government. In order to do so, we call for a day of discontent, in which we will set out from our homes blowing whistles and banging pots and pans, they added. The women's leaders stressed that soon they will announce detailed plans for peaceful 20 March demonstrations.

GOVERNMENT RENEWS STATE OF DOMESTIC THREAT

PY102206 Santiago Domestic Service in Spanish 1730 GMT 10 Mar 86

[Text] The Chilean Government has renewed, effective tomorrow, the state of threat to domestic order. The appropriate decree was published today in the Official Gazette. This decree also notes that the rules and regulations set forth in Decree 3259 of the Interior Ministry and its subsequent amendments are still in effect.

DEL VALLE ON VOLIO REPORT, PALME FUNERAL

PY070302 Santiago Radio Chilena in Spanish 2200 GMT 6 Mar 86

[Relay from La Moneda Palace by Jose Francisco Contreras]

[Excerpt] Foreign Minister Jaime del Valle was asked for his opinion regarding remarks made yesterday by a government official who accused the Christian Democratic Party of discrediting Chile abroad. Del Valle answered:

I think it would be too daring on my part to deny it. How could I deny it? But I could also add that other groups are doing the same thing. That is, Del Valle stated, there is an organization, something arranged. He added [UN Special Observer Fernardo] Volio is involved in this discrediting campaign. There is no question about it; his report is based on obvious mistakes, we are going to prove it in due time, because he has been misled in this cunningly conducted campaign, which could obviously mislead anybody.

In conclusion, the foreign minister referred to the fact that Chile has not been invited to the funeral of Swedish Prime Minister Olof Palme. On this subject, the foreign minister stated: We have made a gesture which is natural to us, expressing our profound condolences on the death of this gentleman. We understand the level of education and good manners required in situations like this. If other countries do not know how to deal with these matters, it is their problem, not ours, the foreign minister concluded.

Opposition Lauds Volio Report

PY080214 Santiago Radio Chilena in Spanish 2200 GMT 7 Mar 86

[Excerpt] Political leaders of the National Party and of the Independent Democratic Union [UDI] have termed fair and objective the report on human rights released today in Geneva by the UN special observer, Costa Rican Fernando Volio Gimenez. The political leaders have agreed to request an end to illegal punishment and a quick return to democracy.

UDI leader Maximiano Errazuriz has stated that in Chile there must exist special concern over the respect for man's fundamental rights as a form of contributing to the country's national pacification process.

[Begin Errazuriz recording] Of course, anything that may imply abuse and illegal physical punishment must be eradicated immediately. The question is not whether these abuses are committed by the terrorists, by some government agents, or opposition members. Any abuse must be avoided because it represents an attack on human dignity. This has also been noted by church officials. [end recording]

FORMER MINISTER WARNS U.S. AGAINST 'MEDDLING'

PY101448 Santiago Domestic Service in Spanish 1100 GMT 10 Mar 86

[Excerpt] Former Interior Minister Sergio Onofre Jarpa has rejected U.S. meddling in Chile's domestic affairs. He did so in the course of a press conference held at a downtown Santiago hotel. Jarpa explained his rejection of the U.S. attitude by saying:

[Begin recording] I wish to make it clear that as a Chilean I reject any kind of alien meddling in our affairs and I hope that other Chileans follow suit. I want to say once more that we do have a Constitution and this Constitution provides timetables and means, and no alien governments or officials of said governments are entitled to tell us Chileans what to do.

The U.S. Government should abstain from meddling in Chilean affairs as it has been doing lately because we would have no moral right to condemn Soviet interference if we were to accept the meddling of other countries in our affairs. The interference of the Department of State amounts to furnishing the communists, the Soviet imperialists, with the best argument to continue meddling in our affairs. [end recording]

The former interior minister also said that U.S. interference has been prompted by local politicians who have been trying to bring foreign influence to bear on the solution of Chile's problems.

NEW OAS ENVOY COMMENTS ON BOLIVIAN SEA ACCESS

PY061311 Santiago Domestic Service in Spanish 2200 GMT 5 Mar 86

[Excerpt] Javier Illanes, the newly appointed Chilean ambassador to the OAS, has said that Chile will uphold its position before the OAS that the Bolivian landlocked situation is a problem that must be treated bilaterally. Today, the ambassador went to Government House to say good-bye to President Pinochet. He will depart for his newly assigned post on 7 March.

BARCO PROCLAIMS VICTORY FOR LIBERAL PARTY

PA110109 Bogota Television Service in Spanish 0000 GMT 11 Mar 86

[Text] Virgilio Barco, the liberal party presidential candidate, has reopened his campaign with a series of meetings with former President Lopez Michelsen, Lleras Restrepo, and Turbay Ayala. After learning of the first results of yesterday's elections. Barco proclaimed victory for the congressmen, deputies and town aldermen of his party. Barco said: the nation has rejected the continuity of conservatism and is prepared to begin a stage of true change, represented by myself.

Luis Carlos Galan, the New Liberalism candidate, whose votes declined greatly yesterday, made no comment on the results of the elections.

According to the latest information from the Civil Registry, the Senate of the Republic would be composed as follows: Official Liberal Party, 60 seats; New Liberalism, 8 seats; Conservative Party, 45 seats; and the Patriotic Union, 1 seat.

BETANCUR OPPOSITION TO U.S. AID TO CONTRAS NOTED

PA111944 Bogota Radio Sutatenza Network in Spanish 1200 GMT 11 Mar 86

[Text] The national government has decided to suspend what is known as political silence, a period prior to and after elections, in order to allow radio and television stations to make comments and especially to interview people regarding the electoral process and recent events. President Belisario Betancur will use many sheets of paper and a great deal of time on radio and television, as well as other forms of communication, to analyze his conduct -- the manner in which he has led his country. Undoubtedly, the elections held last Sunday are important. Because of the administration President Belisario Betancur gave this country, many people believe the Colombians will react favorably to his truce policy, his option for peace and understanding among the many Colombians who did not at first support it because of their concern over security.

Now, to complete this situation, Dr Belisario Betancur has been severely criticized by the United States because it is not satisfied with the manner in which the Colombian president has handled foreign relations, especially with the Sandinists.

The Reagan administration stated yesterday in Washington that it disagrees with President Betancur's public opposition to U.S. support of rebels trying to topple the Nicaraguan Government. In an interview published by THE WASHINGTON POST, the Colombian president said that President Reagan's initiative is totally mistaken and will not produce new results in Nicaragua.

Prompts U.S. Reaction

PA112100 Bogota Television Service in Spanish 0000 GMT 11 Mar 86

[Text] President Betancur has rejected President Reagan's policy of aid for the Nicaraguan contras and noted that a dialogue policy will give better results. Betancur's opinion prompted a quick reaction from the State Department, which noted that Betancur's proposal has not produced good results in Central America or Colombia. This is why we don't agree with it, President Reagan's spokesman concluded.

VARGAS-GOVERNMENT CONFRONTATION CONCLUDES

Pineiros' Statement

PA112115 Quito Radio Quito in Spanish 1940 GMT 11 Mar 86

["Statement" issued by National Defense Minister General Luis Pineiros -- read by unidentified ministry official]

[Text] Message from the National Defense Ministry to all officers and civilians, on duty or [words indistinct] Armed Forces:

The National Defense Forces, thanks to the efforts, sacrifice, and devotion of thousands of compatriots throughout many generations, have achieved prestige, professionalism, and solid unity that is our trademark, for which we are known, and of which we are proud. Although I am just another soldier of the fatherland, having achieved the high rank of general of the Army, which I earned by striving every day, as all of you are doing, it is my moral duty to address all Armed Forces' personnel to urge you to maintain the calm, trust, [word indistinct] and, most of all, the solid unity called for during the trying moments we are unfortunately experiencing.

The serious and dangerous current problem has been irresponsibly caused by a high-ranking Air Force officer, who has unthinkingly, misguidedly, and stubbornly refused to comply with his legal duties. With boundless and unmentionable personal ambitions, he has taken advantage of the (?euphoria), discipline, and even the fears of a group of young military officers, goaded on by political sectors who have always felt animosity toward the military and who now are once again trying to use them in order to destabilize democracy in the country, to [word indistinct] discredit and divide the Armed Forces.

General Vargas Pazzos has chosen the path he deemed appropriate to hide his own shortcomings. He has made reckless, groundless, and slanderous charges against (?his) boss. I have [word indistinct] worked with him for over 18 months. My conscience is at peace, and my hands are clean. For that reason, with my head held high, my chest unprotected, as (?is becoming) of soldiers, I am awaiting [word indistinct] that the documents be presented and the charges which have been suspiciously hidden for so long be specified, so that I may reaffirm my honesty and righteousness before any judge or authority. Most of all, I wish to go before the Armed Forces which I ordered to create a broad tribunal that will best judge my actions and my past. If anyone can prove that I have been irresponsible disloyal, or a thief, I am prepared not only to accept the historic sanction I deserve, but also to pay with my honor and modest means, which are the only patrimony of my family. I am prepared to pay with my own life.

When the president of the Republic designated my defense minister, he entrusted to me the great responsibility of recovering the military image, seeing that the Constitution and bylaws are permanently abided by, advocating professionalization, stability, and promotion, and turning the Armed Forces into the most loyal guardians of sovereignty, territorial integrity, order, and domestic security. I feel I have fulfilled these tasks in the best way possible according to the circumstances and my ability. All of you have witnessed my daily efforts to carry out the objectives of this period, which have benefited all.

I have no personal ambitions (?since) I have attained the summit of my career. I am willing to renounce all that I have achieved if this contributes to the restoration of peace, unity, and the prestige of the Armed Forces, particularly if this serves to prevent the unnecessary and unjustified shedding of a single drop of blood of any Ecuadoran soldier or any innocent fellow citizen. This is not the opportune time to shed this blood.

It is first necessary to restore peace and order, it is necessary that the insubordination and subversion come to an end, that authorities be respected again, as well as law, discipline, and loyalty. These constitute the essence of our profession. It is first necessary that military supplies and personnel arbitrarily withheld in the Manta air base be released, that investigations and trials provided for by law be carried out. These are the bases for our legal sturcture and our institution.

Soldiers of my homeland, I want to reach the innermost recesses of your lives, your feelings, and your discipline in order to appeal to your sensitivity, patriotism, and loyalty so that we can unite in the defense of our ideals, mission, and profession. In this way, we will be able to prevent, now and always, anyone from trying to harm or destroy the national Armed Forces, because the future, stability, and greatness of our institution and our homeland depend on this.

[Signed] Luis Pineiros Rivera

Manabi Sectors Threaten Strike

PA112203 Quito Radio Quito in Spanish 2132 GMT 11 Mar 86

[Text] All of Manabi Province's interest groups supporting the stance adopted by deposed Armed Forces Commander General Frank Vargas Pazzos announced a general strike for today at 1800. This was reported by our colleague station in Manabi, Radio Manabita, which announced this decision that has been adopted by the people of this region, citizens who are totally outraged by the actions taken against fellow Manabi native Vargas Pazzos.

Agreement Announced

PA120013 Quito Radio Quito in Spanish 2250 GMT 11 Mar 86

[Text] [Announcer Gerardo Alfonso Lopez] We will now move to Ambato to broadcast, together with Radio Quito, current events. This is Gerardo Alfonso Lopez from Radio Variedades in this information network with Radio Caravana from Guayaquil, one of whose mobile units broadcasts from the Manta air base. A few minutes ago Gen Frank Vargas Pazzos and the officers who supported him at the base left for Guayaquil. This is a report directly with Radio Eco. Lawyer Carlos Pareja also participated. This is all, Walter. We don't know whether you are interested in what Pareja and Gen Vargas said, since this is Radio Caravana and Radio Eco.

[Unidentified announcer] Of course. Let's hear those statements by the private secretary of the Presidency lawyer Carlos Pareja and Gen Vargas. It is important. Come on ahead. Make the change.

[Begin recording] [Vargas] [words indistinct] labeled as cowards. Thanks, people of Manabi. [repeats himself] [words indistinct] deliver to President Febres Cordero today. I am going as a man, as a soldier, to talk at the Guayaquil base. [words indistinct] I have given my word of honor to the president of the Republic [words indistinct].

[Paraja] We have spoken to the country about the calm that must prevail in the Republic [words indistinct]. Without any terms, we have talked in a friendly manner. We have reached an agreement and announce it to the public. Gen Vargas Pazzos goes to Guayaquil to be at the orders of the highest authority of the Armed Forces, namely, the president of the Republic acting as armed forces commander in chief.

[Words indistinct] with all honors and prerogatives of his high rank, Gen Vargas Pazzos [words indistinct] will be tried at the regular tribunals provided for by law. In addition, in order to stress the purity and cleanliness of this process... [announcer interrupts to say: Radio Variedades directly from Manta] it has been established [words indistinct] the facts reported by Gen Vargas Pazzos. Guarantees will be offered for all officers and radio technicials, not only on this base, but on all air bases in the Republic. This is [words indistinct] the agreement that we have reached to have peace and tranquillity. [end recording]

[Announcer] Ladies and gentlemen, these have been the statements, first of all, of Gen Vargas Pazzos. All seems to have ended. We have also heard the secretary general of the Presidency lawyer Pareja.

Pineiro Resigns

PA120221 Quito Radio Quito in Spanish 0145 GMT 12 Mar 86

[Text of the resignation letter of Defense Minister General Luis Pineiro Rivera -- read by announcer]

[Text] Your Excellency, President of the Republic: In view of the events affecting the nation, and in order to leave Your Excellency free to proceed according to your judgement, permit me to place at your consideration my resignation as defense minister, serving as which was an honor that you bestowed on me. I wish to express to Your Excellency my deepest gratitude for the trust you placed in me and the decisive support you offered me, which facilitated my work. In leaving the post, I also wish to voice my deep faith in the Army, which I have served for 37 years, and I trust it will continue its glorious path at the service of the fatherland.

1st Vargas Statement

PA120256 Quito Radio Quito in Spanish 0135 GMT 12 Mar 86

[Report by Patricio Jaya]

[Text] Gen Frank Vargas Pazzos arrived at the Mariscal Sucre Air Base at exactly 2020. He was welcomed by a large crowd, particularly by relatives of members of the Ecuadoran Air Force, who (?awaited) his arrival. Gen Frank Vargas Pazzos went to one of the command posts at the Ecuadoran Air Force Base, where he is being greeted by his relatives and friends. He is accompanied by his wife. In an effort to keep you informed, we approached Gen Vargas Pazzos and obtained a brief statement. We must note that Gen Vargas does not want to make any statement for the press at this time; perhaps he will do so sometime later. In any event, we were present at the room where Gen Vargas was receiving his relatives, and at least managed to obtain the following statement from him:

[Begin recording] [Jaya] General, what was the agreement that made you change the attitude you had maintained for 5 days?

[Vargas Pazzos] I would say that the word agreement does not exist in this case, but respect for the Constitution and laws. Today I have come to Quito to be judged, [words indistinct] so that a neutral court can analyze the problem, and restore my honor and my rights, of which I cannot be deprived. I cannot make any further statement for time being. To the people of Quito and all those friends who have welcomed me, I will always be grateful to them in my heart.

[Jaya] A few minutes ago you met with the president of the Republic...

[Vargas Pazzos, interrupting] No more questions, please. [end recording]

2d Vargas Statement

PA120348 Quito Radio Quito in Spanish 0203 GMT 12 Mar 86

[Text] Lieutenant General Frank Vargas has again insisted in his comments on what already is public knowledge, but which we believe should be passed on to our listeners throughout the national territory. In addition to what we have already reported, Gen Vargas also made a statement to reporter Consuelo Moreta, who has important information from the Mariscal Sucre military base. Following is the report from Consuelo Moreta from that base:

[Moreta] A few minutes ago, Gen Frank Vargas Pazzos offered some information to Quito reporters. He limited himself to a statement and refused to answer questions from the reporters. At this time, several people remain at Mariscal Sucre air base, waiting to greet Gen Vargas Pazzos. The following is the recorded statement of Gen Vargas at the Officers' Casino:

[Begin Vargas recording] I do not consider this a news conference because the military authorities ban me from holding one. I do want to send special greetings to the people of Quito, who at all times offered their support not to Frank Vargas or the Air Force, but to an act of justice that should prevail.

I want to apologize for not being able to continue meeting with the press, in view of regulations that do not permit it. I want your help at this moment, to safeguard the trial and make sure it proceeds conforming to the law for the sake of justice, for the benefit not only of a soldier or an institution, but of the fatherland, where there should prevail the principles of freedom to which the citizens are rightfully entitled.

Therefore, gentlemen, I am deeply grateful, particularly to the soldiers and officers of the Manta air base who accompanied me at all times. We never intended to go against democratic principles, but to impose respect for the principles which the former defense minister and general commander of the Army tried to trample.

Today, things are clear, and there is a military court of distinguished members of the Armed Forces who will learn about the situation. I am confident that they will find a solution with a just verdict, recognizing my rights, and with it, restoring the nation's tranquillity, which all Ecuadoreans desire. Many thanks, gentlemen, and I hope I shall not have to answer any questions. [end recording]

[Moreta] This was a statement of Gen Frank Vargas Pazzos, which we supplied from the Mariscal Sucre Air Base for Radio Quito.

Febres Cordero's Statement

PA120340 Quito Radio Quito in Spanish 0301 GMT 12 Mar 86

[Statement issued by the president of the Republic in the form of a news bulletin of the National Secretariat of Public Information of the Presidency of the Republic -- read by unidentified speaker]

[Text] Lieutenant General Frank Vargas today accepted the clear and precise disciplinary and legal norms of the military institution and appeared before the president of the Republic, commander-in-chief of the Armed Forces, to express his compliance with the military forces, which will issue a ruling regarding his behavior and pronounce the corresponding sentence. After the president of the Republic received the report, Lt Gen Vargas Pazzos was taken before the president. He said:

Mr President: I come to place myself at your orders. The president of the Republic said: Lt Gen Vargas Pazzos: You have placed yourself at the orders of the constitutional president of the Republic and commander in chief of the Ecuadoran Armed Forces, who has composed an honor court made up of General Azanza, veteran officer of those who comprise the court and who will preside over it; General Lima Ricaute, representing the Ecuadoran Army; Generals Duran and Salvador, representing the Ecuadoran Air Force; and Vice Admiral Canizares and Rear Admiral Guerra of the National Navy. You will place yourself under this honor court's orders at the Quito air base.

Lt Gen Vargas Pazzos stood at attention and replied: Yes sir, Mr President. Lt Gen Vargas Pazzos will remain under arrest at the Quito Air Base, where he will receive the considerations that correspond to his high military rank.

In a special statement by attorney Carlos Pareja, private secretary of the Presidency, Pareja said that the understanding that was reached does not include any dialogue or condition related to military situations. Lt Gen Vargas Pazzos will be able to and must set forth his ideas before his regular chiefs and will remain under arrest at the Quito air base.

CONGRESSMEN DISAGREE ON CLOSING SPECIAL SESSION

PA081549 Quito Voz de Los Andes in Spanish 1230 GMT 8 Mar 86

[Excerpts] Averroes Bucaram, president of the National Congress, has decided to close the special Congress sessions because of the permanent boycott by various political sectors and the irresponsibility of the deputies who on Friday did not attend in sufficient numbers to achieve a quorum to continue discussing the constitutional reforms. Visibly annoyed, Bucaram tried to hold a session on Friday but verified that only 24 deputies of the progressive bloc, 4 of the Alfarist Radical Front [FRA], and 4 of the Concentration of Popular Forces [CFP] were present. The 32 deputies were not enough to open the working session.

[Begin Bucaram recording] I tell the country that I am not going to permit [word indistinct]. The legislators are being paid to work. If they have not come to work, if they do not want to continue working, I must defend the Ecuadoran people's money. [end recording]

The special Congress sessions approved reforms of the elections law, 14 of 24 international agreements, and a few articles of the law on the legislative branch, and it began to hear the report of the special committee on constitutional amendments. The Congress should also have discussed vavious appointments, but now these will have to be discussed on another occasion. In any case, Bucaram said that he will study the possibility of immediately calling a plenary session of the standing committees so that they can continue to discuss important topics that must be resolved by the legislature.

Meanwhile, Ivan Castro Patino, vice president of Congress, believes that the closing of the special Congress sessions by Averroes Bucaram is unconstitutional.

[Begin recording] [Castro Patino] I have reviewed the Constitution and the laws, and I do not find constitutional or legal provision granting the president of the Congress the power to close special Congress sessions. The internal Congress regulations give the Congress president the power to call special sessions but not to close them.

In public law, a law cannot be interpreted in an extensive manner. Therefore, officials can only act in accordance with what is exactly established in the Constitution and the relevant law.

[Unidentified reporter] [Question indistinct]

[Castro Patino] I want to add something. Our party, the FRA, has criticized and rejected the closing of past special Congress sessions by then president of Congress, Raul Baca Carbo.

[Question indistinct]

[Castro Patino] It was decided that the congress should determine whether the actions by the standing committees following the closing of the special sessions should be annulled. The only difference between Baca Carbo's closing of the sessions -- an action that was criticized then by the FRA and the CFP -- and the closing of the sessions now by the current president of Congress is that on the previous occasion, the Congress president called the special sessions. However, I do not think this difference is relevant because the Congress president is not empowered to close the special Congress sessions by himself and without consulting the Congress. [end recording]

TRANS-ECUADORAN OIL PIPELINE NATIONALIZED

PA031840 Quito Voz de los Andes in Spanish 1130 GMT 3 Mar 86

[Excerpts] The assets of the (Lago Agrio)-Esmeraldas trans-Ecuadoran pipeline were transferred to the Ecuadoran State Petroleum Corporation, CEPE, on Saturday, according to a ministerial agreement signed by Energy Minister Xavier Espinosa Teran. The pipeline includes the main line, the ocean line and the ocean terminal, pumping and pressure reduction stations, and the storage tanks located between the surveillance point in (Lago Agrio) and the ocean terminal in Balao. The trans-Ecuadoran pipeline is 503 km long and between 20 and 26 inches in diameter. It transports an average of almost 300 barrels of crude per day and stretches over heights of up to 4,500 meters above sea-level in the mountain range area. Acting Energy Minister Fernando Santos Albite discusses the pipeline:

[Begin recording] An agreement was signed yesterday whereby Texaco, which is the firm that operates the CEPE-Texaco congolomerate, will continue to operate the pipeline. Texaco has run the pipeline very efficiently since it opened in 1972. It has qualified, well-trained personnel, most of whom are Ecuadoreans. However, as CEPE owns the pipeline it may assume its operations after prior notice to Texaco officials. [end recording]

Santos Albite explained that the agreement establishes that as of 0600 on 1 March 1986 the pipeline's assets will be transferred to CEPE based on property, plant, equipment, and warehouse inventories, as well as on the corporate balances up to 28 February 1986.

SUPPORT REAFFIRMED FOR NEW MONETARY FUND

PY102352 Paris AFP in Spanish 1158 GMT 10 Mar 86

[By Hugo Levano]

[Text] Lima, 10 Mar (AFP) -- Well-informed sources have leaked the fact that this week Peru will officially submit for consideration a project creating a Latin American Monetary Fund (FML) that could to some extent substitute for the IMF. The project, which President Alan Garcia and Argentine President Raul Alfonsin will discuss over the weekend, will be presented by the Peruvian delegation to the Andean Reserve Fund [FAR] during a meeting that the FAR will hold in Buenos Aires early this week. The project, which President Garcia announced in the speech he delivered at the UN General Assembly in October 1985 [month as received], was prepared by Central Reserve Bank (BCR, the institution that prints money) experts. BCR president Leonel Figueroa has said that the project is essentially the same as another one formulated by Andean Pact experts.

Last week the Andean Pact project was submitted to President Alan Garcia, who had already received the plan formulated by the Peruvian experts. The Peruvian proposal comes just as Latin American opposition to the IMF adjustment programs is increasing. Even though the evaluation and possible approval of the Peruvian proposal will undoubtedly call for lengthy debate, this initiative seems to follow the strategy of President Garcia, who does not want to remain inactive in the face of the demands from the creditors, which have IMF suport.

Peru's 290 private creditor banks have decided to hold a meeting on 12 March to begin negotiations over the payment of $300 million in accrued interest. In addition, the IMF demands that before 10 April Peru negotiate the payment of $765 million in accrued interest and overdue amortizations.

However, Garcia has insisted on his proposal to service the debt with no more than 10 percent of his country's export income, which this year will amount to $300 million, and to make payments in keeping with the interests of the country. If no agreement is reached -- in this regard it could be pointed out that President Garcia rejected the presence of an IMF mission in Peru a few days ago -- the IMF will declare Peru ineligible to receive further assistance. This is to be added to a U.S. decision made in October declaring the Peruvian debt as value impaired.

In the meantime, while the BCR proposal on the FML has not been disclosed, the general guidelines of the Andean Pact project, which according to Figueroa is similar to the BCR proposal, have been made public. Under the Andean Pact proposal, the FML would be based upon the FAR, an organization which the five Andean Pact members (Bolivia, Ecuador, Peru, and Venezuela) created on 12 November 1976.

The FAR's capital was drawn from part of the reserves of the signatories, which jointly manage the institution. The initial capital of the FAR was $240 million. The organization, which increased its capital to $500 million in October, made a $45-million profit in 1985.

The objective of the FAR is to provide financial resources for solving balance-of-payments problems, facilitating access to the international financial markets, and promoting trade and industry. It has already rendered valuable assistance to Bolivia, Ecuador, Colombia, and Peru on several occasions. In principle, the FML would have 12 members: the 5 Andean countries, 6 signatories of ALADI (Latin American Integration Association), and the Dominican Republic.

The Andean Pact project foresees that the 12 countries will provide a total of $1.625 billion to the FAR's capital, according to the following breakdown: the three countries with the highest levels of relative development (Argentina, Brazil, Mexico) will provide $250 million each. The five countries with medium levels of relative development, which are called countries with insufficient markets (Venezuela, Colombia, Chile, Peru, and Uruguay) will provide $125 million each. The countries with the lowest levels of relative development (Bolivia, Ecuador, Paraguay, and the Dominican Republic), $62.5 million each.

The project foresees that the FML will grant medium- and short-term loans in proportion to the contribution of each country. The countries in the first category will be entitled to receive loans for up to 1.5 times the amount of their contributions, those in the second category up to 2 times the amount of their contributions, and those of the third category up to 2.5 times the amount of their contributions. The only condition that the signatories must meet before receiving the loans is that the resources must be used for implementing consistent economic programs of stabilization that have been sovereignty formulated by each country. That is to say, in no way can such programs be the ones suggested by the IMF or a similar institution. Neither can the loans be used for repaying the debts owed to private banks.

During a meeting that has just been held in Buenos Aires, the Group of 24 concluded that the open financial market cannot solve the debt problem. This conclusion supports the Peruvian FML proposal, which will be presented on the eve of a meeting that ALADI will hold in Montevideo on 7 April.

COMMENTATOR CRITICIZES GARCIA-BORGE MEETING

PY111431 Lima EXPRESO in Spanish 1 Mar 86 p 2

[Manuel D'Ornellas commentary: "The Disturbing Commander"]

[Text] The visit that Tomas Borge is paying to Peru will not ease the concern of those who fear that our country may follow the Cuban and Nicaraguan course, particularly after President Alan Garcia invited the visitor and his host, Mayor Alfonsin Barrantes Lingan, to lunch at Government House.

Neither will the Nicaraguan Interior Minister's visit -- to which we referred in this column yesterday -- help improve the dialogue with the United States. Quite the contrary, the Peruvian-U.S. dialogue was resumed by Prime Minister Alva Castro during his recent controversial trip to Washington and New York. The Sandinist regime comes first on Ronald Reagan's list of devils. Thus, it would not be surprising if his direct intervention in the ousting of Duvalier and Marcos was aimed at providing a background to justify a possible -- either open or disguised -- U.S. invasion of Nicaragua.

In view of all this, was it necessary to bring Borge to Lima and give him preferential treatment? At least his Peruvian counterpart Abel Salinas did not seem to like so much flattery on the part of the government for the most communist of all Sandinists. Salinas left for Mexico on the eve of Borge's arrival. Perhaps, regretting having invited him to Peru, Luis Negreiros, president of the Chamber of Deputies and Borge's host, made no effort to return from Buenos Aires to meet him at the airport.

As we can see, Tomas Borge is a friend who causes discomfort. He will frighten the Peruvian bourgeoisie and cause friction between our country and the United States. Moreover, his presence will irritate our Chilean and Ecuadoran neighbors, with whom we are trying to build new relations. Furthermore, the Vatican will not approve of it either.

Whose sympathy do we earn? Only that of the United Left leadership. And is it important for the current government to be on good terms with that extremist political conglomerate? It apparently is. Otherwise, there is no explanation for Alan Garcia's inviting Borge for lunch at Government House.

To us, the president'surge to seduce the red left is an unfathomable mystery. He does not need its votes in Congress because the American Popular Revolutionary Alliance [APRA] has a majority in both legislative branches. Moreover, with gestures of this type he is not snipping off the claws of the General Confederation of Peruvian Workers [CGTP], which is still creating conflicts for the government.

The only explanation, then, must be of an electoral nature: to bring some parties of the United Left to its side and thus earn some votes in the November municipal elections. A meager haul is thus obtained, if it actually is obtained, at an extremely high cost. Paris perhaps would be worth saying a mass, but a handful of votes within 8 months certainly does not justify an embrace with Tomas Borge.

5 PIP OFFICERS DISMISSED AFTER ZARATE CASE PROBE

PY111608 Lima Radio del Pacifico in Spanish 1200 GMT 11 Mar 86

[Excerpts] The Interior Minister yesterday reported that five Peruvian Investigative Police [PIP] officers have been dismissed from the institution while five noncommissioned officers are under investigation for violating regulations and laws while on duty. This is the conclusion of investigations that were carried out on charges made by the newspaper LA REPUBLICA, which stated that General Jorge Zarate left his prison cell whenever he wanted.

According to the interior minister Genral Zarate has been transferred to the 24th civil guard command post so that his fellow PIP comarades will not continue to protect him. The interior minister noted that General Zarate is under the constant surveillance of the Civil Guard. As is well-known, General Jorge Zarate is heavily involved in drug-trafficking activities, which were carried out by his close friend Reynaldo Rodriguez Lopez, better known as the Godfather.

CUBAN VICE MINISTER ON FOREIGN DEBT, RADIO MARTI

FL110340 Mexico City NOTIMEX in Spanish 2220 GMT 10 Mar 86

[Text] Mexico City, 10 Mar (NOTIMEX) -- Cuban Vice Minister for Maritime Affairs Raul Gonzalez Tapia said today that the world economic crisis and the presence of some Latin American dictatorships prevent greater cooperation between regional countries. The official, who is returning to Cuba to participate in the multinational Caribbean conference to be held in Havana, said that it is necessary for area governments to unite their opinions and efforts to overcome financial problems.

The Cuban vice minister said that important goals for restructuring the foreign debt could be achieved if Latin American governments unite. Nevertheless, he said, unity is not easy to achieve, especially when there are dictators who oppose democracy in Latin America.

In reference to Radio Marti broadcasts to Cuba, Gonzalez Tapia said that Radio Marti has not been able to get through to the people because Cubans know perfectly well that the United States goal is to distort the achievements of the Cuban revolution. Because of this, he stressed, the authorities and as the residents of the Caribbean island reject any U.S. initiative that is considered to be against the interests of Latin American unity.

SOVIET ENVOY CONDEMNS U.S. SUPPORT OF CONTRAS

FL112000 Mexico City NOTIMEX in Spanish 1910 GMT 11 Mar 86

[Text] Mexico City, 11 Mar (NOTIMEX) -- International law condemns the support the United States Government is giving the Nicaraguan contras, Soviet Ambassador to Mexico Rostislav Sergeyev has said. He said that this U.S. aid to the anti-Sandinist rebels is an act of state terrorism. He said it is time for the U.S. Government to stop intervening in the affairs of other states because its continuous interference in various parts of the world worsens existing problems. He said his country condemns U.S. interventionist acts, and spoke of the need to defend international law throughout the world, including in Nicaragua.

U.S. ENVOY GAVIN ACCUSED OF INTERFERENCE

PA110433 Mexico City EL DIA in Spanish 8 Mar 86 p 5

[Article by Raul Moncada Galan: "One More Offense by Gavin"; words in uppercase published in boldface]

[Text] U.S. Ambassador John Gavin has once again interfered with matters which, because of his job, are none of his business. This time the U.S. proconsul, rather than ambassador, took advantage of a cartoon made by master Alberto Beltran on the death of Juan Rulfo and what he thought of intellectuals, to put forth a highly insulting official opinion -- the letter Gavin sent to Beltran was written on embassy stationary -- on Beltran's personality and his graphic works.

With the false pretext of defending the Mexican poet who approves of the empire's interventionist policy, and whom Beltran criticizes in the cartoon, Mr Gavin proceeds to censure the behavior of a people who, according to his authoritative observations, suffer from two censurable defects: They are prejudiced against the United States, and they have a great capacity for underestimating themselves, which, as in the case of Beltran, goes as far as "self-denigration without any positive result."

However, the twisted letter from the U.S. proconsul not only offends master Beltran and the Mexican people, but also attempts to question the worth of the National Art Prize as well as the editorial policy of our newspaper, as Alberto Beltran has been distinguished with the aforementioned prize and is president of the editorial council of EL DIA. This is a good enough reason for all of us who work at EL DIA to feel attacked by the stupid and misleading OPINIONS of the proconsul and to protest energetically John Gavin's insulting attempt to curtail freedom of speech and of the press, which are rights granted by OUR Constitution.

On the other hand, Mr Gavin has every right to think what he likes and what his cultural and political limitations allow him to think of Alberto Beltran, the Mexican people, the National Art Prize, and EL DIA, so long as he does it in private. But if he does it publicly and in his capacity as U.S. ambassador to Mexico, he is not only breaking the most elemental rules of diplomacy, he is also making it justifiable for him to be declared persona NON GRATA, because someone who tries to provoke unrest in our home and who has such a prejudiced opinion of our ways cannot be welcome.

In addition, Gavin's stupidity and insolence give us the right to affirm that, in our experience, some North Americans -- like Gavin for example -- suffer from two common defects: They consider Mexicans second-class humans beings, in other words inferior, and they have a great capacity for overestimating themselves, which in some cases, like that of the proconsul, goes to the point of arrogance, insolence, and cynicism.

Finally, if we did not know all along that John Gavin is in Mexico to carry out acts of provocation and not diplomacy, one could well think in an instant when one's brain goes soft, that Mr Gavin knows very little of history and geography, because he describes as anti-North American prejudice the justified mistrust Mexicans feel toward the annexationist policy of his country, which, as he might not know, cost us more than half of our national territory. He constantly confuses the Republic of Mexico with Chile, Haiti, the Philippines, or Grenada, countries where the proconsuls do have a say in the countries' internal affairs.

JAPANESE ENVOY SAYS INVESTMENTS TO CONTINUE

FL072044 Mexico City NOTIMEX in Spanish 1850 GMT 7 Mar 86

[Text] Mexico City 7 Mar (NOTIMEX) -- Japanese ambassador to Mexico Takeshi Naito said the Japanese Government has complete confidence in Mexico and its people because of their responsible and realistic attitude in confronting their problems. He said that because of this, Japanese investments continue being made and industries continue to be installed in Mexico.

In reference to the foreign debt, the Japanese diplomat said that this is a political matter, not economic, and he indicated that the creditor and debtor countries should negotiate and be flexible to arrive at a solution to the problem.

He indicated that the Japanese banks are always ready to cooperate with Mexico since they consider coexistance between all countries the best solution to current problems.

He also said that Mexican President Miguel de la Madrid will visit Japan this spring. An exact date was not given.

VALERO TRAVELS TO SAN JOSE FOR CONTADORA TALKS

PA111954 Mexico City XHDF Television Network in Spanish 1955 GMT 10 Mar 86

[Text] Mexican Foreign Under Secretary Ricardo Valero today traveled to San Jose, Costa Rica. The Contadora Group deputy foreign ministers will be establishing there the border supervision commission between Costa Rica and Nicaragua, and for this purpose they will be participating in a second round of talks. The border supervision commission, which was proposed in the Caraballeda document, is supported by an express commitment between Nicaragua and Costa Rica to respect their territorial integrity.

ARGENTINE AMBASSADOR DISCUSSES L.A. FOREIGN DEBT

FL110354 Mexico City NOTIMEX in Spanish 0315 GMT 11 Mar 86

[Excerpt] Monterrey, Mexico, 10 Mar (NOTIMEX) -- Argentine Ambassador to Mexico Facundo Suarez said here today that the serious Latin American foreign debt problem will only be resolved politically.

During his speech at the Eighth International Economic Symposium, which began today at the Monterrey Technical Institute of Higher Education, the diplomat said that application of the Baker plan is insufficient to solve the foreign debt problem in Latin America.

Suarez also said that no government should declare a moratorium on the foreign debt because serious problems would result. It would be more convenient to renegotiate interest rates.

FINANCE SECRETARIAT ON FOREIGN DEBT TALKS

PA111723 Mexico City XEW Television Network in Spanish 1300 GMT 11 Mar 86

[Excerpt] The Finance and Public Credit Secretariat has reported that the U.S. Federal Reserve Bank has decided to increase from 90 to 180 days the deadline for the payment of $3 billion that Mexico has to pay for the use of the Pemex line of credit.

This extension means that Pemex will be able to continue using that line of credit, despite the drastic drop in its export revenue. If the deadline had not been extended, Pemex would have been unable to generate sufficient exports to justify the maintenance of the total amount of that line and it would have had to pay $1 billion for the use of the line.

This is one of the agreements achieved by the Mexican delegation headed by Finance and Public Credit Secretary Jesus Silva Herzog. The delegation is carrying out negotiations with international financial authorities for the renegotiation of the payment of the foreign debt.

The Finance and Public Credit Secretariat also reported that the World Bank will grant Mexico $400 million to finance the reconstruction of the areas affected by the earthquakes and another $500 million to increase the export programs in 1986.

The secretariat reported that the IMF will grant Mexico an additional credit whose amount and financing terms will be decided some time this week.

Meanwhile, the delegation of Finance Secretary Silva Herzog will soon hold talks with representatives of commerical banks and member countries of the Paris Club -- comprised of the official agencies for the promotion of exports of the industrialized countries -- to reach an agreement on Mexico's debt with those agencies.

PEMEX HYDROCARBON RESERVES EXCEED 71.75 BILLION

FL112204 Mexico City NOTIMEX in Spanish 2005 GMT 11 Mar 86

[Text] Mexico City, 11 Mar (NOTIMEX) -- The state enterprise Pemex confirmed today that its total tested hydrocarbon reserves exceed 71.75 billion barrels, the majority of which are located in the Campeche areas.

Pemex was asked about several press reports that indicate Mexico has much less than 71.75 billion in oil reserves and responded by saying that these reports were hardly credible.

Pemex' oil production is 2.75 billion barrels daily, and the Campeche wells on the gulf coast produce between 2.5 million and 5 million barrels daily.

It was made clear that for years Mexico required assistance from technicians of the American Petroleum Institute to account for its reserves. Currently this work is being done by Mexican technicians with national equipment.

CORRECTION TO DE LA MADRID SPEECH ON ECONOMY

The following correction to the item headlined "De la Madrid Speech Outlines Economic Policy," published in the 24 February Latin America DAILY REPORT on page M 1, is supplied from EXCELSIOR of 22 February:

Paragraph two, lines four and five read: ...income of approximately 3 trillion pesos, which... (substituting "trillion" for "million")

BRIEFS

TRADE BALANCE SURPLUS DROPS -- According to a report prepared by the General Customs Directorate, the Bank of Mexico, and the National Institute of Geography, Statistics, and Data Processing, in January 1986, Mexico's trade balance was positive by $389.7 million. Compared to the same period last year, there was a 37.6 percent drop due to a 35 percent drop in petroleum exports. In contrast, other exports grew by 25.3 percent. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 7 Mar 86 PA]

LABOR MINISTRY DECLARES GENERAL STRIKE 'ILLEGAL'

PA111707 Panama City CRITICA in Spanish 11 Mar 86 p 1

[Communique issued by the Labor and Social Welfare Ministry -- date not given]

[Text] In view of the many telephone calls from workers who might be affected by the "general strike" called by the National Council of Organized Workers [Conato] and who want to clarify their wage situation, the Labor and Social Welfare Ministry fulfills its duty of announcing the following:

The Conato leaders' call for a strike to protest against the national government's efforts to improve the economic situation of the Panamanians does not fulfill the requirements established by the Labor Code for holding a strike; therefore, the "general strike" is illegal.

As a result, the suspension of work means that the worker will not be paid for the time they do not work and could lead to the adoption of legal sanctions by the employer due to the suspension of work as is established by the internal work regulations of the specific enterprises and the Labor Code.

Minister Lee, PRD Head Comment

PA112237 Panama City Televisora Nacional in Spanish 0000 GMT 11 Mar 86

[Text] Here are statements by Labor and Social Welfare Minister Jorge Federico Lee on the current situation.

[Begin recording] Well, the general strike that was decreed and initiated today has not been very successful. Most commercial and industrial activities are being carried out normally, except for isolated incidents in some companies affected by the strike.

Actually, a general strike is not only unjustified, it is also clearly illegal. The labor laws do not provide for this kind of situation. We are convinced that the labor leaders should participate in a dialogue to make concrete observations. [end recording]

Democratic Revolutionary Party [PRD] President Dr Romulo Bethancourt has finally given us a summary of the negotiations that have taken place with the labor groups.

[Begin recording] The proposal was basically intended to forestall this strike. During the meeting the problem of the amendment of the Labor Code was discussed very openly, and the union leaders thoroughly discussed their fears and concerns.

However, I want to mention that I continue to propose....[changes thought] On behalf of the PRD and duly authorized by the government, I continue to propose that the union leaders reconsider their stance regarding the establishment of a commission to draft the articles with us or with people appointed by us, so as to prove clearly that their fears are groundless. [end recording]

Situation Reported Calm

PA120135 Panama City Televisora Nacional in Spanish 0000 GMT 12 Mar 86

[Text] Activities were normal today in Central Avenue, principal commercial artery of this capital. Buses and taxis continue to work normally, while commercial establishments, banks, and public offices were open throughout their regularly scheduled hours.

In some stores workers observed the strike, in compliance with their union's instructions.

Meanwhile, the Defense Forces placed special units in several strategic sites of this city to preserve public order.

Upon recommendation by the authorities of the University of Panama, the students left the premises this morning. Groups of students, however, blocked the Transisthmian Highway and set fire to an automobile. Another attempt to block traffic on Via Bolivar was avoided when the workers talked with members of the Defense Forces.

During the afternoon and early this evening the situation in the capital was calm, and night clubs and other entertainment centers are open as usual.

Meanwhile, the Conato announced today that the strike called to reject the labor code reforms will continue until the three draft bills to reactivate the national economy are withdrawn from the Legislative Assembly.

Conato maintains the strike is observed by 95 percent of the groups that make up that organization, although it admitted that the transport sector is not supporting it. Conato also announced a march for tomorrow afternoon, starting from Porras Plaza to the Cathedral Plaza.

BRIEFS

FOREIGN POLICY DIRECTOR -- It was unofficially reported that Antonio Correa Barrelier has been appointed new director general of foreign policy at the Panamanian Foreign Ministry. [Summary] [Panama City CRITICA in Spanish 8 Mar 86 pp 32, 15 PA]

AMBASSADORS PRESENT CREDENTIALS -- The new ambassadors from the Netherlands, Finland, Australia, and Norway have presented their credentials to President Eric Arturo Delvalle during a ceremony at the Presidential Palace. These ambassadors are Reijnier Flaes from the Netherlands, Oka Lasse Veli from Finland, Richard Gordon Starr from Australia, and Jan Arvesen from Norway. [Summary] [Panama City MATUTINO in Spanish 7 Mar 86 p 12B, 8A PA] Javier de Zevallos, the new Peruvian Ambassador to Panama, presented his credentials to the President of Republic Eric Arturo Delvalle in a ceremony at the Presidential Palace, which was attended by Foreign Minister Jorge Abadia Arias. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 19 Feb 86 p 48-D PA]

COSTA RICA

MONGE DENIES U.S. ENGINEERS PREPARING INVASION

PA111738 San Jose Radio Reloj in Spanish 1200 GMT 11 Mar 86

[Text] President Luis Alberto Monge Alvarez has replied to statements by local communist groups by saying that it is absolutely false that the U.S. engineers working in the Quepos area are making way for U.S. troops to invade Nicaragua. The president added that this type of accusation is a typical, deceitful remark made by the local leaders of Marxism-Leninism.

The president added that the Quepos area is far from the Nicaraguan border, and therefore it makes no sense to talk about an invasion. Monge Alvarez also said that the U.S. engineers will build a Bailey bridge and will repair four other bridges badly needed by area farmers.

President Monge Alvarez emphasized that nobody has talked about the passage of troops through Costa Rican territory to attack Nicaragua, flatly rejecting the charges of the procommunist groups.

The president also said that it has been clearly specified that Costa Rica is neutral and will not allow the passage of troops through our territory. In this manner, President Monge Alvarez replied to charges being made by local communist leaders concerning the presence of U.S. engineers in the area of Quepos and Parrita.

ARIAS' REGIONAL TOUR EXCLUDES NICARAGUA

PA111414 Panama City ACAN in Spanish 2125 GMT 9 Mar 86

[Text] San Jose, 9 Mar (ACAN-EFE) -- President-elect Oscar Arias today confirmed that his Central American tour will not include Nicaragua. When he announced the intinerary of his trip through this area last week, Arias advised that he would meet only with the presidents of El Salvador, Guatemala, and Honduras.

Arias will meet with Nicaraguan President Daniel Ortega possibly after 8 May if the meeting proposed and promoted by Guatemalan President Vinicio Cerezo is held.

Arias will visit Guatemala on Thursday, 13 March, in the company of his brother Rodrigo, an elected deputy and the next Presidency minister, and of Rodrigo Madrigal Nieto, the appointed foreign minister for his administration. On the same day, he will meet with President Cerezo, and that night he will receive a decoration during a dinner given by the Guatemalan president.

On 14 March Arias will leave for San Salvador to meet with President Jose Napoleon Durate and will spend the night in that capital.

Early on Saturday, 15 March, Arias and his ministers will go to Tegucigalpa, where they will have a similar agenda with President Jose Azcona Hoyo.

The delegation is scheduled to return to Costa Rica late on Saturday, 14 March [date as received], but there is also the possibility that Arias may spend the night in Honduras and return to this capital on Sunday.

On 19 December [month as received], Arias will visit Panama, where he will meet with President Eric Arturo Delvalle, and in April he will go to the United States before assuming office on 8 May.

EL SALVADOR

FMLN-FDR TO DELAY MEETING WITH RIVERA Y DAMAS

PA120423 Paris AFP in Spanish 0250 GMT 12 Mar 86

[Text] San Salvador, 11 Mar (AFP) -- The Salvadoran guerrillas announced tonight that they will delay until next week sending a delegation to San Salvador to discuss, with the government and through the Catholic Church, the mechanisms for the resumption of the dialogue for peace. In a communique sent to AFP, the FMLN-FDR asked Salvadoran President Jose Napoleon Duarte to express, "officially and seriously, his stance on our leaders' arrival in San Salvador to meet with Msgr Rivera y Damas."

The communique indicates: "The archbishop has advised us on his duties and that he will not be in San Salvador this week. He has asked us to postpone our arrival. Consequently, our delegation will appear before the mediator of the dialogue next week."

The note points out that this decision (sending a rebel delegation) "is a specific contribution to the Salvadoran people's aspirations for peace."

The fronts said that the recent statements of President Napoleon Duarte to the effect that the government will not object to the arrival of the delegation if it is to render an account of its crimes "are so absurd that they could hardly be considered the government's official position."

Duarte told a local radio station Monday that the members of the rebel mission could come whenever they wished to turn themselves in to the police.

The communique added that the statements of the chief of state are "incomprehensible, because one day he is willing to renew the dialogue, and a few days later he threatens the FMLN-FDR representatives with imprisonment."

Duarte proposed the renewal of the dialogue with the rebels on 4 March, provided there were simultaneous talks between the Government of Nicaragua and the counterrevolutionary forces. This proposal by Duarte is earmarked, according to him, in a peace plan for Central America, which would include a meeting of area presidents and the creation of a Central American parliament.

"The serious deterioration of Duarte's government could be the cause for his desperate and contradictory attitude, but despite this, the FDR-FMLN expect Mr. Duarte will seriously and officially state his position regarding the arrival of our leaders in San Salvador to meet with Msgr Rivera y Damas," the communique concludes.

REBELS DENOUNCE RECENT CHALATENANGO BOMBINGS

PA112200 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Mar 86

[Excerpts] With his package swindle, Napoleon Duarte wants the people to pay for the bombs being dropped on them. As a matter of fact, a few hours ago, in Aldea Vieja, Chalatenango Department, U.S. bombs fell on houses of the civilian population. This frightened women, elderly people, men, and children who have nothing to do with the conflict.

The civilian population of Chalatenango Department has been the victim of the most indiscriminate and massive bombings in the past few weeks; the bombing that took place a few hours ago in Aldea Vieja is an example of this.

In February alone the Duartist Air Force carried out 20 bombing operations involving approximately 200 bombs -- the equivalent of 100,000 kg of explosives -- in Chalatenango cantons. In that month, cantons populated by civilans in Chalatenango were targets of dozens of machine gun attacks involving helicopters and C-47 planes; the Air Force used an equivalent of 50,000 kg. They also fired approximately 100 mortar shells and carried out 2 helicopter-borne landing operations in civilian settlements.

In Guazapa and Cinquera, in only 2 months, the regime of Napoleon Duarte displace more than 13,000 people, who joined half a million other Salvadorans forced out of their homes by military bombings and operations. These displaced people are left hungry and destitute.

In fact, today we see how these half million displaced people are being denied medical treatment from world humanitarian organizations, in keeping with the latest order of General Blandon.

Half a thousand homes turned into ashes and more than 200 civilian victims were the results of "Operation Phoenix" in Guazapa.

Therefore, UN and OAS human rights commissions, Amnesty International, and other organizations recently described the regime of Napoleon Duarte as a constant violator of the rights of the civilian population, against whom he is waging a genocidal war unprecedented in Latin America.

Today our struggle is justified in the eyes of the world. Our people are increasingly answering the ineludible call to join this struggle in all its forms. An ocean of guerrillas and organized people will suffocate the criminal plan aimes at oppression and submission to the imperialist will, a plan that a few hours ago brought about new civilian victims in the wake of bombings in Chalatenango Department.

BRIEFS

TRADE AGREEMENT WITH VENEZUELA -- San Salvador, 10 Mar (ACAN-EFE) -- An official spokesman has reported to ACAN-EFE that the governments of El Salvador and Venezuela signed a trade agreement here today. According to this spokesman, with this agreement El Salvador can export agricultural and industrial nontraditional products to Venezuela with "nonreciprocal tariff preferences." The agreement was signed by Rodolfo Antonio Castillo Claramount, Salvadoran vice president and foreign minister, and Regine de Acevedo, deputy foreign trade minister, for the Salvadoran side, and by Pedro Emilio Coll, Venezuelan ambassador to El Salvador, for the Venezuelan side. [Excerpt] [Panama City ACAN in Spanish 1844 GMT 10 Mar 86 PA]

GUATEMALA

MEXICAN LEGISLATIVE MISSION ARRIVES FOR TALKS

PA110440 Panama City ACAN in Spanish 2125 GMT 9 Mar 86

[Text] Guatemala City, 9 Mar (ACAN-EFE) -- A mission of Mexican legislators, led by Antonio Riva Palacio Lopez, president of the Mexican Senate's Grand Commission, arrived in Guatemala today.

The Mexican legislators' (senators and deputies) mission is to "express the Mexican Government's interest in the democratic process that has begun in Guatemala," it was stated here by Mexican Ambassador Abraham Talavera.

He added that the parliamentary mission's aim is to "hold formal bilateral meetings with Guatemalan Congress deputies and exchange experiences."

According to Riva Palacio Lopez' statement, they also intend to "exchange ideas about international matters and a bilateral agenda."

The Mexican mission is comprised of Senators Salvador Jose Neme Castillo, Yolanda Senties Echeverria, and Alfonso Zegbe Sanen; and Deputies Jose Eduardo Beiran, Humberto Salgado Gomez, Salvador Ramos, and Graco Ramirez Abreu.

Mexican Ambassador Talavera said: "Even though my country is facing a critical economic situation and a $600-billion [as received] deficit, it has defined its policy of exerting an effort to support brother countries like Guatemala."

"Guatemala will continue to benefit from the supply of Mexican oil, according to the San Jose Agreement, just as the other Central American countries have done so to date," Talavera said.

The diplomat asserted that Mexico wishes to "establish an oil agenda with Guatemala, because there is a possibility for cooperation in the exchange of technological experience in the geothermic, mining, and oil sectors."

Talavera explained that in this way "Guatemala does not have to travel the long road of investigations. Of course, this aid would be given without conditions, because that is the characteristic of Mexico's policy that makes it different from others."

HONDURAS

LOPEZ: TERRITORY NOT AUTHORIZED FOR FOREIGN USE

PA111357 Paris AFP in Spanish 0042 GMT 11 Mar 86

[Text] Washington, 10 Mar (AFP) -- Asked about the presence of anti-Sandinist guerrillas in his country, Honduran Foreign Secretary Carlos Lopez Contreras said that "as far as possible" his government "will try to prevent any temporary occupation of its territory."

After expounding before the OAS Permanent Council on the foreign policy of President Jose Azcona's government, which was inaugurated in January, Lopez declared to the press that his country "has not authorized any government or group to use its territory."

Lopez, who said he would not meet with any administration officials during his stay here, avoided comment on recent statements by U.S. Secretary of State Caspar Weinberger [as received] to the effect that Honduras will offer the contras bases and supply lines. He said: "You should ask him about what he said."

The foreign minister referred to the length of the common border between Nicaragua and Honduras and the inability of his security forces to guard it. Press reports indicate that between 10,000 and 18,000 armed and uniformed anti-Sandinist forces are stationed in camps in Honduras.

Lopez said that "the problem affecting us in our relations with neighboring countries is that we shelter refugees" from these countries, and "it is difficult to distinguish between refugees and guerrillas."

The foreign minister asked the OAS to collaborate with Honduras by "promoting resettlement of these refugees in different countries of our vast continent." He indicated that under the protection of the UN High Commissioner for Refugees, there are 20,732 Salvadorans, 5,443 Spanish-speaking Nicaraguans, 13,963 Nicaraguans of Miskito origin, and 531 Guatemalan refugees in Honduras.

Asked about reports from Honduran coffeegrowers on the border zone giving the precise location of the camps, Lopez said that his government "has started an investigation into this matter."

Lopez again repeated, as he had said in his speech, that no foreign troops are permanently stationed in his territory and that the North American troops are only carrying out temporary exercises. Asked about the presence of some 1,200 North American troops at the Palmerola Base since 1983, Lopez replied that the soldiers are on a rotational basis.

Lopez will sign the inter-American convention on Tuesday at the OAS to prevent and punish torture.

Nicaraguan Ambassador Edgar Parrales, who said he applauded Lopez' speech "out of diplomatic courtesy," also said he observed a more "professional and diplomatic tone" in comparison with the "rough style" of the previous foreign secretary and told AFP that this "allows the belief that further improvements can be made."

He stressed that Lopez only mentioned Nicaragua explicitly when he referred to the refugees. However, without naming the country, Lopez accused Nicaragua of hindering the Contadora peace efforts because of its "refusal to establish commitments regarding democratization, disarmament, and the relaxing of alliances with extra-continental and antidemocratic powers."

Parrales said that Honduras "cannot deny its moral support for peoples struggling to achieve their true national liberation from the degradation imposed by totalitarianism," in another reference to Nicaragua that can be interpreted as an attempt to justify Honduras' support of the "contras."

Finally, noting a third implicit allusion to Nicaragua, Parrales said that his country "was the victim of terrorist actions promoted, financed, and executed with foreign aid."

Commenting on a passage in which Lopez professed to advocate the defense of international law, Parrales pointed out that the foreign secretary "failed to explain how his government will deal with the contra presence in their territory."

Finally, he said that Lopez tried "to juridically justify" the U.S. Army's presence in his country.

NICARAGUA

DELEGATION APPROVES PROTEST DOCUMENT AGAINST U.S.

PA112236 Managua Radio Sandino in Spanish 1930 GMT 11 Mar 86

[Excerpts] The National Assembly, through a series of individual votes today, has approved a document condemning the Reagan administration's campaign to obtain more aid for the Somozist counterrevolutionaries. The main section of the document, approved by majority:

1. Expresses the assembly's emphatic condemnation of President Reagan's request to the U.S. Congress to obtain $100 million for the counterrevolution and the intervention in Nicaragua's domestic affairs;

2. Makes a plea to the U.S. Congress, the world's parliaments, and all men of goodwill to oppose this new Reagan administration initiative that can mark an irreversible step in the states' commitment to a terrorist cause;

3. Reiterates the National Assembly's obligation to the Nicaraguan people and the international community to continue to discuss the draft constitution until its final approval;

4. Demands respect for international principles and the rights to nonintervention, self-determination, and the sovereignty of peoples.

Upon the approval of this document issued by the Nicaraguan parliament, and due to the importance of its content, the president of the National Assembly proposed that it not go through the normal channels, that is, through the Nicaraguan Embassy in Washington. Instead, a special legislative commission was formed to travel to the United States and personally deliver the document to U.S. congressmen. The commission is made up as follows: Mauricio Diaz, Juan Tijerino, Eduardo Molina, Adolfo Evertz, Alan Zambrana, Macario Estrada, and Carlos Cuadra -- one representative of each of the seven parties comprising the National Assembly.

WASHINGTON EMBASSY NOTES HABIB APPOINTMENT

PA110449 Managua International Service in Spanish 0000 GMT 9 Mar 86

[Text] The U.S. Government has appointed Philip Habib as the new special envoy for Central America. In this respect, the Nicaraguan Embassy in Washington warned that Habib's mission will be successful only if he honestly supports the negotiated solution proposed by the Latin American countries. The Nicaraguan diplomatic mission recalled that both Richard Stone and Harry Shlaudemann, who preceded Habib, failed in their objective because the United States insisted on its policy of fostering the bands of Somozist guards and mercenaries.

PRIESTS' ROLE IN U.S. CAMPAIGN VIEWED

PA101822 Managua Radio Sandino in Spanish 1200 GMT 10 Mar 86

[Commentary by Onofre Guevera: "Analysis of Misinformation"]

[Text] The combination of political misinformation, military aggression, and religious manipulation seldom has been as evident as now, when President Reagan is waging a rabidly anti-Nicaraguan campaign in the United States to obtain $100 million for the counterrevolutionaries.

According to what we have observed, this campaign has all the elements and resources used for distorting news, political lies, and slander. Cardinal Obando y Bravo and Bishop Pablo Antonio Vega have played an outstanding role in this campaign. Both have used important rostrums set up by the strategists of imperialist propaganda. With this, the imperialists have wanted to give their campaign a phony image of religiousness, but their arguments have been so flagrant that now the campaign to obtain more money to continue committing crimes against the Nicaraguan people looks more immoral than before.

Nothing new can be added in this regard. However, there are many reasons for commenting on the condemning the utilization of the religion factor for propaganda purposes:

1. Neither when Cardinal Obando y Bravo went to the United States, nor now that Bishop Vega has gone to that country, was their presence there required for religious reasons.

2. The places they visited, the persons with whom they spoke, and the statements they made had absolutely political characteristics.

3. Currently there is no religious activity going on in the United States. There is a political campaign that grossly misinforms regarding the true Nicaraguan situation.

4. The objective of this campaign is not only to lie about our true situation but to use lies to fool the U.S. people and pressure Congress to give more aid to organizations killing our people.

5. If the discussions among U.S. politicians on how to help the counterrevolutionaries are aimed at maintaining the war against Nicaragua, then why do these gentlemen who are proposing themselves as mediators for reconciliation have to pitch in for war?

6. The fact that they went to Washington to speak in favor of those seeking more dollars to maintain the war means they no longer want mediation in favor of peace but the promotion of war.

7. The fact that Vega has issued false testimonty on the revolutionary government's alleged responsibility in the deaths of three priests not only represents a violation of his sacred vows, but also -- and primarily -- a well-calculated argument based on the reachings of Hitler's best propaganda man: Lie a lot so that something is believed.

8. Vega has resorted to the dirtiest methods of political propaganda and misinformation, forgetting the commandment not to lie and not to give false testimony. These actions make him a tool of imperialist propaganda, not a Christian pastor.

What is happening now with Pablo Vega's slander is part of the ideological and political struggle that has always occurred between exploiters and the exploited. The only difference is that now this struggle has been modernized with the use of the electronic media and the most advanced techniques. However, in the end of the struggle -- even in its symbolic aspects -- is the same. The struggle that the dominant classes of the past waged against people had its symbol in the military, the landowners, and the privileged priest. The same thing is also happening now, only in the somewhat more modern fashion: There is the war, the capitalists, and the privileged priests. Some priests have not changed their message of domination, much less their ally.

VEGA U.S. VISIT TO AFFECT CHURCH'S CREDIBILITY

PA1019?33 Managua BARRICADA in Spanish 7 Mar 86 pp 1, 4

[Editorial: "A $100-Million Bishop"]

[Text] In September of last year Monsignor Pablo Antonio Vega was asked in Bonn, FRG, to give his opinion on the Yankee financing for the Somozist mercenaries. He said: "A people who do not believe that their civil and social rights are guaranteed also have the right to seek help wherever they can."

Yesterday, in Washington, Bishop Vega personally made his own contribution to the efforts to obtain "aid" by appearing along with mercenary chieftains Adolofo Calero, former National Guard Colonel Enrique Bermudez, and Arturo Cruz during a political event that was totally alien to his mission as a pastor.

The prelate from Chontales, who is already famous for his unintelligible language, spoke clearly this time, raising serious, slanderous charges against the revolutionary government. However, the fact that he was present there blessing is true "black mass" organized by the CIA to whitewash the image of the criminals speaks for itself.

Msgr Vega has taken a step that infuriates and offends the mothers of thousands of victims murdered by the Somozist counterrevolutionaries. This was a biased, partisan political step favoring more deaths and crimes against our people and that dangerously and barefacedly implicates the Catholic Church hierarchy with traitors who have sold out to the Yankee superpower for $100 million.

Has the church by any chance decided to absolutely forsake dialogue with the Nicaraguan Government and fully devote itself to talks with the mercenary puppets who have been defeated by the people? Or do they believe, perhaps, that the $100 million will save the contras from total defeat?

Be it as it may, Msgr Vega has made a very serious mistake that will have incalculable on the credibility of the Catholic hierarchy in Nicaragua.

At least Nicaraguan Christians will know exactly what the bishops seek when they talk about "dialogue and national reconciliation": $100 million for Calero, Bermudez, Cruz, and their mercenary forces.

Only God knows if the people will ever forgive them.

Accused of Slander, Libel

PA101621 Managua Radio Sandino in Spanish 1930 GMT 7 Mar 86

[Excerpts] Attorney Adolfo Miranda Saenz said today that Monsignor Pablo Antonio Vega could and should be tried under the country's criminal laws for the crimes of slander and libel and for threatening state security. Miranda said that Vega's statement in Washington that the government killed three priests shows the path of lies that the top [church] hierarchy is following, in keeping with the U.S. Administration's game.

Msgr Pablo Antonio Vega has lied to give Reagan another argument to help him obtain economic aid for the contras at the U.S. Congress, said Miranda. In Nicaragua, the attorney added, everyone knows that priests have not been killed even in traffic accidents.

Vega will have to reveal the names of the priests killed, and in order to do that he will have to invent another lie.

Miranda said that it is clearer today that the Catholic Church hierarchy has lost its prestige among the people and that it will never be able to obtain the mediator role because, politically speaking, the partiality shown toward the contras in the past few days by Vega and Obando y Brono is evident to all.

Miranda called on other Nicaraguan bishops not to follow the example set by Vega and Obando y Brovo.

[Begin recording] Well, first there is a crime of slander. In addition, there is the crime of libel, which is not the same as slander. Libel is a serious offense. Sometimes, both occur simultaneously. Therefore, given that Msgr Vega expressed slanderous statements against the state, the FSLN, and its authorities, the slandered legal institution can also charge him before common courts for the crime of libel. In this case we have two crimes: slander and libel. Furthermore, Msgr Pablo Antonio Vega's statements constitute a threat to the nation's security. It could be that he also committed the crime of threatening state security. Therefore, in this case the public prosecutor's office would have to take the initiative to press criminal charges. [end recording]

Meanwhile, Reinaldo Antonio Tefel, director-minister of the Nicaraguan Social Security and Welfare Institute, Inssbi, described the statements made in the United States by Msgr Pablo Antonio Vega, bishop of Chontales, that three priests were killed in Nicaragua as indignant and shameless. Tefel, who is a well-known Catholic, said that statements by both Cardinal Obando y Bravo and Bishop Vega show their direct ties with the U.S. Administration.

[Begin recording] Well, as a Catholic I am ashamed and saddened because there is a bishop who can lie in such a blatant manner as Mgsr Pablo Vega; it is really shameful. How can he claim that three priests were murdered in Nicaragua when the murder of only one would have brought about a scandal not only at the national level, but also at the international level? In fact, no bishop, the Episcopal Conference, the Vatican, or anyone for that matter, would have remained silent if that were true.

First, there is no religious persecution in Nicaragua. Quite the contrary, there is great respect for religion. This is the only revolution in the history of all revolutions that has welcomed the participation of Christians. [end recording]

BAYARDO ARCE MEETS WITH JARUZELSKI IN MOSCOW

PA071912 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 Mar 86

[Excerpt] Commander of the Revolution Bayardo Arce, who headed the FSLN delegation to the CPSU Congress, has placed a wreath at the mausoleum to Lenin, the founder of the Soviet state. He has also met with political and government leaders present in Moscow, including General Wojciech Jaruzelski, secretary general of the United Workers Party, who ratified his solidarity with the Sandinist people's revolution.

Returns From USSR

PA111736 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Mar 86

[Text] The Nicaraguan delegation to the 27th CPSU Congress, which was headed by Commander of the Revolution Bayardo Arce Castano, returned today. The leader relayed the solidarity of the peoples of the world with Latin America and particularly with Nicaragua at a time when the United States is stepping up its warmongering policy.

Commander Arce arrived in the morning and was received at the air terminal by Commander of the Revolution Henry Ruiz. He made the following remarks regarding the results of the CPSU Congress and its impact on Latin America:

[Begin recording] A number of scientific-technical development goals were set. This will improve the standard of living of the Soviet people and, because of the Soviet policy of cooperation with the Third World, it will also have an impact on countries like ours, which receive solidaristic cooperation from the Soviet Union.

In addition, they have made a peace proposal for the next 15 years. If they succeed in getting the United States to undertake and accept this proposal, this could be the harbinger of a year 2000 without nuclear weapons and, in this sense, with peace conditions to work for the benefit of the Third World because the idea is that all resources being devoted to the nuclear armament, to the arms race, be devoted to the development of the [word indistinct] peoples. [end recording]

MONGE CALLS BORDER COMMISSION SOVEREIGN DECISION

PA120440 Managua Domestic Service in Spanish 0303 GMT 12 Mar 86

[Text] San Jose, Costa Rica -- Costa Rica and Nicaragua will establish a vigilance commission at the common border, as this is a sovereign decision, even if the United States does not like it, President Luis Alberto Monge has said in San Jose. Monge referred to press reports that Washington officials expressed disagreement with the creation of the commission and were reportedly pressuring Costa Rica to change its decision.

Although Monge denied that there have been pressures in this sense, he said that the commission will be installed even if it displeases the Reagan administration. Monge stressed: I am sorry, but this time, as on many other occasions, it is a Costa Rican sovereign decision.

SEARCH OF DIPLOMATS' LUGGAGE PROTESTED

PA110037 Managua Domestic Service in Spanish 0300 GMT 8 Mar 86

[Text] San Jose, Costa Rica -- The Nicaraguan Embassy in Costa Rica today denounced an attempt to violate international law by security members at the Juan Santamaria International Airport, where incidents against Nicaraguan diplomatic personnel may provoke a conflict.

It is stated in a note from Ambassador Leonor Arguello to the Foreign Ministry in San Jose that on 5 and 6 March the airport authorities wanted embassy officials to open their suitcases, which are protected by diplomatic privilege. The protest note adds: The authorities said they did not care about the privileges and it was useless for the diplomats to call the Foreign Ministry, because they took orders from no one.

Nevertheless they were finally allowed to leave the country, but, given that diplomatic mail goes through that airport regularly, Ambassador Arguello asked the Foreign Ministry to adopt a decision and prevent having to face these problems each time diplomatic personnel arrive or depart.

Meanwhile, the Central American Human Rights Commission has warned that it has received a large number of reports on the arrest and confiscation of documents belonging to Costa Rican and foreign citizens who enter Costa Rica coming from Nicaragua.

COMMUNIQUE ANNOUNCES DANIEL ORTEGA'S RETURN

PA112013 Managua Radio Sandino in Spanish 1930 GMT 11 Mar 86

[Communique No 8 issued by the Presidency's Directorate of Information and Press on 11 March -- read by announcer]

[Text] The Directorate of Information and Press of the Presidency of the Republic reports to the Nicaraguan people that the president of the Republic, Commander of the Revolution Daniel Ortega Saavedra, returned to the country this morning, thus assuming the duties that correspond to his high position.

CHIEF OF CUBAN MILITARY ADVISERS OCHOA DEPARTS

PA111734 Panama City ACAN in Spanish 0150 GMT 11 Mar 86

[Text] Managua, 10 Mar (ACAN-EFE) -- Major General Arnaldo Ochoa, who was in charge here of the group of Cuban military advisers, has been relieved by General Nestor Lopez, the Nicaraguan Defense Ministry reported today. The source says that General Ochoa, of the Cuban Armed Forces, left yesterday for Cuba after working in Nicaragua for several years.

Last Saturday an official ceremony was held during which the Sandinist government gave recognition for the work done by Ochoa at the head of the Cuban military experts. During the official ceremony, Ochoa was decorated and granted awards by the government and the Sandinist People's Army, the Defense Ministry added.

The decorations were presented to Gen Ochoa by Acting President Sergio Ramirez, Defense Minister and chief of the Sandinist Armed Forces Humberto Ortega, and Acting Interior Minister Luis Carrion. The ceremony was held at the auditorium of the "Carlos Aguero" military school.

CUBAN JOINT COMMISSION OPENS SESSION IN MANAGUA

Ruiz Notes Cuban Support

PA112021 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 10 Mar 86

[Text] The seventh Cuban-Nicaraguan joint commission was installed today. The two delegations will evaluate the 1985 economic program and proposals for scientific-technical development in 1986. The work is scheduled to last from 9-20 March.

Commander of the Revolution Henry Ruiz, foreign cooperation minister, stressed the uncontitional support the Cuban people have given Nicaragua and made reference to the 1986 technical economic plan.

[Begin recording] Our balance of payments is the main tension element [tencionante] within the plan. We are trying to make joint efforts among the people, government, and the FSLN to tackle the tasks of 1986 in a more organized and therefore more efficient manner.

Within this framework, we would like to stress the significance of the economic, scientific, and technical cooperation from Cuba, the sister people of Cuba, which, to put it frankly, is also taken into consideration in the 1986 plan. [end recording]

On his part, Ernesto Menendez, minister-president of the Cuban State Committee for Economic Cooperation, again confirmed his government's support for Nicaragua:

[Begin recording] We are certain the results of our talks during these days will lead to a strengthening of our relations and that they will enable us to expand our intellectual, technical, and commercial exchanges as well as the exchange of men and women, which enlivens those exchanges. [end recording]

Foresees 'Economic Tension'

PA112009 Panama City ACAN in Spanish 2346 GMT 9 Mar 86

[Text] Managua, 9 Mar (ACAN-EFE) -- Commander Henry Ruiz, minister of foreign cooperation, admitted today that 1986 will be "characterized by high economic tension." The official said that the main source of tension will be the balance of payments, but did not elaborate.

Ruiz delivered a speech this afternoon within the framework of the opening of the seventh session of the Cuban-Nicaraguan Intergovernmental Commission for Scientific-Technical Cooperation. He said that in view of the fact that this is a year of "high economic tension," collective efforts are being made to undertake the tasks in 1986 in a more organized and efficient manner.

The minister said that during 1985 the government devoted 25 percent of the gross internal product, 50 percent of the national budget, 50 percent of the domestic production, and 20 percent of the economically active male population to the revolution's military defense.

He noted that an economy of this type must take into consideration all possibilities of foreign cooperation in the world to confront the situation. In this respect, he said that the scientific-technical cooperation that Cuba renders to Nicaragua is already accounted for in the 1986 economic plan.

Ruiz said that this year the government is promoting a program whose salient features are aimed at reinvigorating the production aspect of the national economy as well as financial and monetary relations, noting that this is a people's democratic and anti-imperialist revolution.

Ruiz spoke the same day that the Sandinist government decreed a second wage increase as well as increases in the prices of agricultural, livestock, and industrial products; electricity and water rates; and transportation fares.

NEW STAPLE PRICES, SALARIES DECLARED EFFECTIVE

PA091446 Managua Radio Sandino in Spanish 1300 GMT 9 Mar 86

[Text] The new prices and salaries that have been decreed effective today by the revolutionary government fall within the framework of the technical-economic plan for 1986 and are aimed at returning to production levels required by our country to continue supporting military defense efforts and buttressing the only solution to the economic crisis, inflation, and backwardness, which is to increase production and the productivity of labor. The communique from the Presidency of the Republic reads as folows:

The Information and Press Directorate of the Presidency of the Republic reports the following to the Nicaraguan people:

1. Starting in 1985, the heroic Nicaraguan people have been engaged in a continuing victorious military offensive and making a decisive effort to bolster production, the physical basis of defense. This effort has also been aimed at checking the economic crisis resulting from imperialist aggression, the international crisis, and economic imbalances resulting from both, as well as ensuring a minimum living standard for the population. This great popular mobilization, in which the mobilization and initiative displayed by the masses has been decisive, has resulted in the initiation of a process of strategic defeat of the counterrevolution.

However, in order to consolidate the total defeat of the mercenary forces in 1986, it is necessary to not only make an extra effort in military defense but also in the defense of the economy for the country's physical survival. These victorious military results have allowed us -- within the framework of the technical-economic plan for 1986 -- to make an effort to return to production levels required by the country to continue supporting military defense efforts and buttressing the only solution to the economic crisis, inflation, and backwardness, which is an increase in production and the productivity of labor.

2. In this regard, during 1986 the revolutionary government will continue implementing policies aimed at encouraging production, which were announced in 1985. Its overall objectives are as follows: to support the revolution's military defense; to defend and encourage physical production; to check the financial imbalances regarding physical production to control inflation, eliminate subsidies, and rationalize public spending, investments, and the credit and exchange policies; to check and reduce speculative trade; to redistribute income for the benefit of salary earners; to guarantee a single and coherent administration; to increase the efficiency of economic efforts; and to increase the productivity of labor.

3. The revolutionary government has decided to establish a series of new prices and new measures regarding salaries to continue advancing toward the achievements of these objectives and to continue enforcing the salary, exchange, and credit policies implemented during January and February.

It has taken into account the real costs of production of a number of goods and services in its efforts to continue to check the economic crisis and inflation -- which would grow if subsidies are increased -- and protecting the standard of living of workers.

PARLIAMENTARIAN ON 3-7 APRIL MEETING IN GUATEMALA

PA101721 Managua Radio Sandino in Spanish 1930 GMT 7 Mar 86

[Excerpts] Parliamentarian Angela Rosa Acevedo said that Nicaragua will ask the Latin American parliaments to express their opposition to the aggression policy implemented by the U.S. Administration against Nicaragua. The Sandinist leader said the meeting that will take place from 3-7 April in Guatemala is very important for our country because it takes place at a time when the Reagan administration is stepping up interventionist measures against our country.

The Nicaraguan delegation that will travel to this meeting will be headed by Commander Carlos Nunez, National Assembly president and FSLN National Directorate member. He will be accompanied by Mauricio Diaz, of the Popular Social Christian Party, and Dr Rafael Cordova Rivas, coordinator of the Democratic Conservative Party of Nicaragua, among others.

The criteria of the Sandinist parliamentarian for this important meeting follows:

[Begin recording] [Acevedo] The Latin American parliaments will meet from 3-5 April in Guatemala. We all know that Cuba and Nicaragua are relatively new members in this forum. This takes place at a time when the crisis in Central America is intensifying due to the debate taking place in the U.S. Congress over the $100 million to be used to step up the war against our country.

The Latin American parliaments will meet to discuss democracy and peace. In our case, given that we are suffering from the U.S. war, this forum acquires a vital importance. This is our opportunity to have the Latin American parliaments express their rejection of U.S. behavior and the $100 million and to note the illegality of a congressional debate over funds to wage a war against a small country without having declared a war. It is also an opportunity to have the parliaments voice support for peace actions already supported by eight Latin American countries and most countries in the world. I am referring to the Caraballeda document that was recently signed by eight Latin American countries expressing the willingness to Latin America [words indistinct] to defend the conflict as Latin Americans and to urge the sides involved to reach a negotiated solution.

[Unidentified reporter] Is there any relationship between this meeting and the IPU meeting that will take place from 7-9 April in Mexico?

[Acevedo] There is no doubt that the IPU meeting that will take place in Mexico is also vitally important to us, because the two regular April commission sessions, which are the meetings of the disarmament and economic commissions, will take place. In addition, world political problems will be discussed.

In the focus on the world's tensions, the Contadora Group efforts will also be discussed within the disarmament commission. Therefore, this meeting will have ties to the Latin American meeting because the positions assumed by Latin America in its own forum will be taken by union members to the IPU floor where its 23 member-parliaments will meet. [end recording]

COSEP LEADERS REQUEST DEFENSE FROM 'FREE COUNTRIES'

PA060127 Managua Radio Sandino in Spanish 1930 GMT 5 Mar 86

[Text] In a clear appeal to the United States, Higher Council of Private Enterprise [COSEP] top leaders today asked for intervention and demanded immediate defense and protection by what they called free friendly countries and democratic governments and peoples.

COSEP president Enrique Bolanos Geyer said publicly that the organization he represents is unaware of a war of aggression conducted by the U.S. Government against Nicaragua. At the same time, he said the 13,000 victims who have fallen as a direct consequence of this war are part of the government's propaganda.

Like many other prominent businessmen, Bolanos refrained from defining COSEP's position regarding the $100 million requested by President Reagan for the mercenaries. However, they did mention the patriotism of the Triple A -- Adolfo Calero, Alfonso Robelo, and Arturo Cruz -- who were recently received by Reagan as a recourse to obtain congressional approval for the aid and who were presented to the national and international press as the highest representatives of democracy in our country.

At no time did they admit the real situation confronting the country. Instead, in their analysis they used subjective reasoning against the Sandinist Government. Among the arguments used by COSEP to give credibility to its request is the famous document called Proposal to the Nicaraguan Government for a Solution to the Crisis in our Country, which, according to the COSEP, has the support of all the political parties, but which in reality has only been signed by the parties that form the Ramiro Sacasa Guerrero Democratic Coordinating Board and the Independent Liberal Party's rightist sector represented by Virgilio Godoy. This document clearly shows the treacherous objectives of COSEP and its allies, as it demands that the Sandinist Government decree a general amnesty that extends to the top counterrevolutionary leaders as well as an unconditional cease-fire.

CASTRO SUPPORTS KOREAN PENINSULA REUNIFICATION

PA111958 Havana International Service in Spanish 1600 GMT 10 Mar 86

[Text] During his talks with Kim Il-song in Pyongyang, President Fidel Castro reiterated his support for the consistent policy of the DPRK in favor of the peaceful reunification of the Korean peninsula. Castro stressed that the international situation remains tense due to an increase in the arms race and the U.S. policy of intervention, aggression, and terror.

Castro said that the struggle for peace is inseparable from the battle to establish in a new world economic order and reiterated the need to consolidate the unity of action of all the peaceful forces of the world.

In turn, the Korean leader Kim Il-song condemned the U.S. aggression and threats against Cuba and advocated peace and security in the Caribbean and Central America.

The Cuban president is on an official visit in the DPRK at the invitation of Kim Il-song.

Criticizes South Korea

FL120249 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Mar 86

[Excerpt] Before departing from the DPRK, Fidel Castro and DPRK President Kim Il-song attended a ceremony that was also attended by thousands of people in Pyongyang. The president criticized the intentions of holding the 1988 Olympics in Seoul and said this is a new attempt to perpetuate Korea's division. Castro also said that this is a new and repugnant demonstration of the capitalist spirit [espiritu de mercantilismo] and reactionary manipulations that currently prevail in the Olympic movement.

Seoul, he added, is a city of U.S. brothels, games, drugs, and soldiers who are corrupt and transmit AIDS. No honest person, said Castro, can deny the reality that the ideal conditions for those Olympics exist in the DPRK and not in that other part of Korea, which has submitted to militarism and foreign intervention, as well as the headquarters for a genocidal government and U.S. base full of nuclear weapons. Cuba and the DPRK have united in this just and necessary battle, stressed Castro. Our country will not spare its strength in criticizing this maneuver and defending the legitimate right of all the Korean people to share these games in a climate of unity and national dignity, he said.

Castro, Delegation Depart

FL111412 Havana Tele-Rebelde Network in Spanish 1202 GMT 11 Mar 86

[Text] Pyongyang — The first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, Fidel Castro, departed today from the DPRK, where he paid a visit described as historic.

Fidel, who had arrived in Pyongyang on 8 March at the head of a delegation of the party and Cuban Government, was seen off at the capital airport by Kim Il-song, secretary general of the Korean Workers' Party and president of the Democratic People's Republic of Korea. Other top political and state leaders and thousands of residents of the capital went to the airport and made the departure into a replay of the massive reception given Fidel 4 days earlier, which was considered unprecedented in the history of the country.

During their stay in the Democratic People's Republic of Korea, Fidel and the persons accompanying him held conversations with Korea's leader Kim Il-song and other high Korean officials, and visited sites of economic, historical, and social importance.

Today, Commander in Chief Fidel Castro thanked democratic Korea for granting very favorable credits for supplying Cuba with 100,000 rifles and tens of millions of bullets needed to strengthen our country's defenses.

Before more than 10,000 Pyongyang residents who filled the Sports Palace, the first secretary of the Communist Party of Cuba stressed the identical opinions of the two countries, expressed during official conversations.

The president of the Councils of State and Ministers emphasized the fact that there is only one Korea and ratified unlimited Cuban support for the reunification of the Korean homeland.

The Cuban leader rejected the accusation made against Cuba and democratic Korea that both promote conflicts. Speaking of the situation in Africa, Fidel reiterated that the day following the disappearance of apartheid, the withdrawal of the Cuban combatants from Angola will begin.

In addition to supporting the right of Democratic Korea to cosponsor the Olympic games in Seoul, the Cuban president stressed the fact that Pyongyang has better installations and described the admirable characteristics of the inhabitants of Democratic Korea, which he termed immune to the vices of capitalism.

A few hours after they leave this country, all the members of the Cuban delegation will become spokesmen of the achievements of the Korean revolution and of the talents of the leaders, the top Cuban leader concluded.

Arrive in Moscow

FL120046 Havana Radio Rebelde Network in Spanish 0000 GMT 12 Mar 86

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Communist Party of Cuba and president of the Councils of State and Ministers, has returned to Moscow after an official 3-day visit to the DPRK. Castro was invited by Kim Il-song, secretary general of the Korean Workers Party and DPRK president.

At the Moscow airport, Castro was met by Eduard Shevardnadze, CPSU Politburo member and foreign minister, and Boris Yeltsin, Politburo candidate member and first secretary of the CPSU Urban Committee in Moscow, as well as other high-level Soviet leaders.

Traveling with Castro is the delegation that accompanied him to the DPRK: Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and ministers, and Jorge Risquet, Politburo and Secretariat member.

Also accompanying Castro is Division General Senen Casas Regueiro, alternate Politburo member and first substitute of the FAR, and Lionel Soto, Secretariat member and Cuban ambassador to the USSR.

Korean Reportage

For Pyongyang Domestic Service & KCNA coverage of the visit by Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, to the DPRK, including talks with Kim Il-song, general secretary of the Worker's Party of Korea and DPRK president, see the North Korea section of the 10 March Asia & Pacific DAILY REPORT and subsequent issues.

CHIEF MILITARY ADVISER IN NICARAGUA REPLACED

FL110346 Mexico City NOTIMEX in Spanish 0315 GMT 11 Mar 86

[By Jesus Guevara Morin]

[Text] Managua, 10 March (NOTIMEX) -- It was officially reported here today that the Cuban Government has named Brigadier General Nestor Lopez as the new chief of Cuban military advisers in Nicaragua, replaceing division General Arnoldo Ochoa, who returned to Cuba on Sunday.

The day before he returned to Havana, Arnoldo Ochoa was praised in Managua by the Sandinist government and Army and received decorations and distinctions for his work in Nicaragua. The ceremony was presided over by Nicaraguan Vice President Sergio Ramirez and Defense Minister Humberto Ortega.

It is estimated that the number of Cuban military advisers in Nicaragua exceeds 300, but the Nicaraguan Government has reiterated that it will eliminate foreign military groups when other Central American nations simultaneously do the same.

In support of the Contadora Group document, the Nicaraguan Government unilaterally retired 100 Cuban military advisers in mid-1985, even though this action was not shared by other area governments. Shortly before returning to Cuba, the 100 Cuban advisers expressed their willingness to return to Nicaragua if their presence was necessary because of the aggravated situation.

During the recently concluded Third Communist Party of Cuba Congress, it was agreed to increase aid to Nicaragua if the U.S. Government increased support to the Nicaraguan counterrevolutionaries.

CEMA COMMUNICATIONS MEETING HELD IN HAVANA

FL111916 Havana Television Service in Spanish 1800 GMT 11 Mar 86

[Text] The 13th meeting of heads of scientific organizations that collaborate with CEMA member-countries in the field of communications is meeting from 9 to 12 March in our capital. Bulgaria, Cuba, Czechoslovakia, Hungary, Poland, the GDR, Romania, the USSR, and Vietnam are participating in the meeting.

Among the main points to be debated are the development of communications sytems used with artificial earth satellites, and the creation of an optical system for the transmission of information.

The working agenda includes the development of communication networks of the complex interconnected automatic type.

The meeting will conclude on 12 March with the signing of a working protocol that includes the nine participating countries.

RAUL CASTRO MEETS WITH HUNGARIAN MINISTER

FL071847 Havana Television Service in Spanish 1800 GMT 7 Mar 86

[Text] Communist Party of Cuba Second Secretary and First Vice President of the Councils of State and Ministers, Army General Raul Castro, had met with Peter Varkonyi, Hungarian People's Republic foreign minister and Hungarian Socialist Worker's Party Central Committee member. During the meeting, which was held in a cordial atmosphere, the two sides agreed on views regarding the most important international matters, and the positive course of bilateral relations between Cuba and Hungary were emphasized.

Varkonyi Departs

FL072230 Havana Radio Reloj Network in Spanish 2144 GMT 7 Mar 86

[Text] Isidoro Malmierca, Cuban foreign minister, has accompanied his Hungarian counterpart Peter Varkonyi, who is returning to his country, to the airport.

Also accompanying Varkonyi to the airport were Jose Raul Viera Linares, first vice minister of foreign relations, Euclides Vazquez Candela, and Istvan Boonar, Cuban and Hungarian ambassadors, respectively.

SOVIET TRADE UNION DELEGATION ARRIVES FOR VISIT

FL101516 Havana Tele-Rebelde Network in Spanish 1202 GMT 10 Mar 86

[Text] A delegation from the USSR's All-Union Central Council of Trade Unions, headed by Vladimir Sergeyev, chief of Relations with Trade Unions in Socialist Countries Department, has arrive in our country on a working visit.

Jesus Escandel Romero, member of the Secretariat of the Central Organization of Cuban Trade Unions [CTC], met the delegation at the airport.

[Begin unidentified speaker recording] In the first place, we have arrived in Cuba in response to an invitation from the CTC to discuss with CTC comrades and leaders our bilateral plan for cooperation between Soviet and Cuban trade unions in the year 1986. In the first place, we would like to discuss the exchange program between factories and enterprises and the exchange of delegations from various departments of our trade union organizations and associated trade unions. [End recording]

HENK HERRENBERG APPOINTED FOREIGN MINISTER

PA062219 Paris AFP in Spanish 2114 GMT 6 Mar 86

[Text] Georgetown, 6 Mar (AFP) -- Henk Herrenberg, Surinamese ambassador to Guyana, was appointed foreign minister of his country to replace Tjon Kie Sim, who "either resigned or was dismissed" a week ago, reliable sources reported here. Unofficial sources in the capital of Suriname said that Tjon Kie Sim was dismissed because of disagreements with Colonel Desi Bouterse, commander in chief of the national Army of Suriname. Tjon Kie Sim was to have gone to Guyana a few days ago, but his visit was cancelled.

FISHERIES AGREEMENT WITH VENEZUELA SIGNED

FL110236 Bridgetown CANA in English 2136 GMT 10 Mar 86

[Text] Paramaribo, Suriname, March 10, CANA -- Suriname and Venezuela have concluded negotiations on a fisheries agreement between the two South American countries. The agreement was finalised when a five-man delegation from Suriname headed by Ambassador Henk Heidweiller visited the Venezuelan capital during the last week of February. It permits 100 fishing boats and 10 shrimping trawlers from Venezuela to fish in Suriname's 200 nautical mile maritime zone. Officials here said, however, that it does not allow the Venezuelans to work near the coast -- an area reserved for Suriname's small fishermen. Venezuelan fishermen will be required to bring their total catch to port Paramaribo and will be allowed to sell a part of it to the government. The agreement also makes provisions for the training of Surinamese fishermen.

SOUTH KOREA TO PROVIDE $3-MILLION CREDIT

FL112038 Bridgetown CANA in English 2012 GMT 11 Mar 86

[Text] Paramaribo, Suriname, March 11, CANA -- South Korea is to provide Suriname with goods worth three million dollars (U.S.) under a line of credit agreement just signed here. The agreement falls under a 1982 bilateral treaty, through which a joint Suriname-Korea commission met in May last year to deal with the new credit line. The central bank of Suriname and the Exim Bank of Korea were appointed by their respective governments to conduct further negotiation which culminated with the signing here. It was not clear what the money would be used for.

PRIME MINISTER SIGNS IDB LOAN FOR EDUCATION

FL110240 Bridgetown CANA in English 2236 GMT 10 Mar 86

[Text] Paramaribo, Suriname, March 10, CANA -- Suriname's Prime Minister Wim Udenhout has signed a more than 24 million guilder (one U.S. dollar -- 1.80 guilders) loan package with the Inter-American Development Bank (IDB) for bolstering education and industrial development. The signing took place in Washington and President of the IDB Antonio Ortiz-Mena signed on behalf of the institution. The total cost of the project which is aimed at improving the quality of primary education in the country is about 18 million guilders of which the IDB contributes approximately 14.1 million guilders. This loan was granted to Suriname on soft terms. Last month the IBD's Board of Directors approved the industry-credit programme of the National Development Bank of Suriname (NOB). The total investment of this programme is 18 million guilders of which the IDB contributes roughly 10.8 million guilders. The IDB has also approved 350,000 guilders in technical assistance to the NOB to bring the quality of formulating projects and investment-analyses to international levels.

DOMINICAN REPUBLIC

PANAMA'S ESQUIVEL RAPS U.S. CONTADORA STAND

PA101949 Madrid EFE in Spanish 1500 GMT 9 Mar 86

[Text] Santo Domingo, 9 Mar (EFE) -- Panamanian Vice President Roderick Esquivel has criticized the U.S. Government of its stand on the Contadora Group's peace-keeping efforts. Esquivel, president of the Liberal Party of Panama, said that the U.S. stand toward the Contadora Group is not the most appropriate. He urged that the Contadora Group be given all the support it needs to secure peace in Central America, and affirmed that the initiative now has the support of Peru, Ecuador, Bolivia, Uruguay, and the Dominican Republic. Esquivel considered such conduct a demonstration that the Contadora Group deserves support, but deplored the attitude of the United States which, he said, was contrary to such a spirit. He said that an example that the U.S. Government is mistaken in regard to Central America is that the U.S. Congress rejected its request for $100 million in aid to the Nicaraguan counterrevolutionaries. He praised the decision of the U.S. congressmen "because with it they render more strength to the principle of self-determination of the Latin American peoples." He said he hopes that peace in Central America will emerge from the Contadora Group through civilized dialogue between the parties concerned. Esquivel arrived in the Dominican Republic at the invitation of the Structure Party [Partido la Estructura], a member of the Liberal International founded 4 years ago and which today is the 4th political force within the group of 14 political parties.

GUYANA

NATIONAL ASSEMBLY APPROVES 1986 BUDGET

FL111740 Bridgetown CANA in English 1604 GMT 11 Mar 86

[Text] Georgetown, Guyana March 11, CANA -- With the main opposition People's Progressive Party (PPP) abstaining, the Guyana National Assembly (parliament) last night approved the government's 1.9 billion dollar (one Guy dollar; 24 cents U.S.) budget for the 1986 financial year. The package, presented February 28 by Finance Minister Carl Greenidge, came in for much criticism from parliamentarians of the Marxist PPP who questioned its usefulness in tackling Guyana's severe economic problems. Winding up the debate, Prime Minister Hamilton Green said the budget was a practical programme, highlighting exciting areas of growth in several sectos -- including mining -- in the face of difficult circumstances and in a hostile world environment. Every plan and programme advocated by the government has as its rationale the well-being of the country, he said.

Opposition Party Critical

FL112252 Bridgetown CANA in English 2357 GMT 10 Mar 86

[Excerpt] Georgetown, Guyana, March 10, CANA -- The opposition Peoples Progressive Party (PPP) has described government's 1986 budgetary measures as a coalpot budget with wrong priorities. Upon which sector are we depending for the economic turn around? opposition parliamentarian Clinton Collymore said. On debt payments? On security? Or on agriculture? If it is not on agriculture as all government ministers have been saying, then why is agriculture bringing third place? Your priorities are all wrong, he added. The PPP parliamentarian criticised the budget, the economy, and prospects for the future under the incompetent PNC (Peoples National Congress).